

CAI
XC 2
- 1955
B65

(HOUSE OF COMMONS

Second Session—Twenty-second Parliament

1955

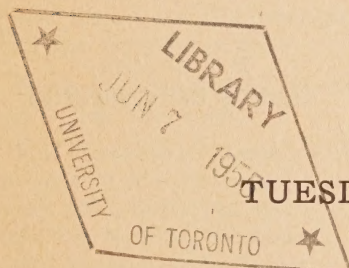
SPECIAL COMMITTEE

ON

BROADCASTING

Chairman: Dr. PIERRE GAUTHIER

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 8



TUESDAY, MAY 17, 1955

WITNESSES:

- A. Davidson Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation.
- G. C. W. Browne, Controller of Telecommunications, Department of Transport.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE ON BROADCASTING

Chairman: Dr. Pierre Gauthier

Vice-Chairman: Mr. G. D. Weayer

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale

Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelburne-
Yarmouth-Clare*)
Knight

McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
Clerk of the Committee.

CA 1
XC 2
- 1955
B65

MINUTES OF PROCEEDINGS

Room 118,
TUESDAY, May 17, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Boisvert, Bryson, Carter, Cauchon, Fleming, Gauthier (*Nickle Belt*), Goode, Hansell, Henry, Holowach, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Studer and Weaver.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, S. Schnobb, Assistant Treasurer, R. C. Fraser, Director of Press and Information, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors, M. Carter, Executive Assistant, J. P. Gilmore, Coordinator of Television and J. A. Halbert, Assistant Secretary.

Mr. Dunton, in answer to a question asked by Mr. Monteith at the previous sitting, tabled the following documents:

1. Sound Broadcasting and Common Services Expenditures from April 1st, 1953 to March 31st, 1954.

2. Television Service Expenditures from April 1st, 1953 to March 31st, 1954,

and was questioned thereon; Messrs. Ouimet and Bramah answering questions specifically referred to them.

Ordered,—That the said documents be printed as part of this day's evidence. (*See Evidence*).

The Committee resumed its detailed examination of the Annual Report 1953-1954 of the Canadian Broadcasting Corporation, the examination of Mr. Dunton continuing thereon. Messrs. Ouimet and Fraser answered questions specifically referred to them.

Mr. Dunton tabled a copy of "*C.B.C. Times*", copies of which were distributed to members of the Committee, and was examined as to the cost of production and distribution.

A breakdown of the expense items shown in the statement of income and expenses for 1953-1954 of both sound broadcasting and television were ordered and the Clerk of the Committee directed to distribute copies when available to members of the Committee.

In reply to a question asked by Mr. Dinsdale at a previous sitting, Mr. Dunton tabled the following document:

Cost Breakdown for Typical One Hour

C.B.C. Television Drama,

Mr. Ouimet being examined thereon.

Ordered,—That the said document be printed as part of this day's evidence. (*See Evidence*)

Pursuant to a decision of the Committee at the previous sitting, it was decided, although the Committee had not completed its detailed examination of the Canadian Broadcasting Corporation Annual Report 1953-1954, to hear Mr. G. C. W. Browne, Controller of the Telecommunications Division, Department of Transport, ordered to appear before the Committee at 3.30 o'clock p.m. this day.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

AFTERNOON SITTING

Room 118,
TUESDAY, May 17, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Boisvert, Bryson, Carter, Dinsdale, Fleming, Goode, Hansell, Holowach, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson and Weaver.

In attendance: Messrs. G. C. W. Browne, Controller of Telecommunications, C. M. Brant, Superintendent of Radio Regulations, W. B. Smith, Senior Radio Regulations Engineer and F. K. Foster, Radio Regulations Inspector, all of the Department of Transport; and Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, R. C. Fraser, Director of Press and Information, W. G. Richardson, Director of Engineering, R. E. Keddy, Secretary of the Board of Governors and Donald Manson, Special Consultant, all of the Canadian Broadcasting Corporation.

Mr. Browne was called and made a short statement on the administration of the Radio Act and tabled the following documents:

1. List of broadcasting stations in Canada in operation, April 1st 1955.
2. List of changes in Canadian broadcasting stations during the period April 30, 1953 to May 13, 1955.

Copies of the said documents were distributed to members of the Committee and the witness was examined thereon.

Mr. Smith answered questions specifically referred to him.

Mr. Browne tabled copies of application forms for sound broadcasting and television stations.

Ordered,—That the said documents be printed as appendices to this day's evidence.

(Application forms for sound broadcasting—Appendix "A")

Application forms for television—Appendix "B")

At 5.35 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, May 19, 1955.

R. J. Gratrix,
Clerk of the Committee.

EVIDENCE

MAY 17, 1955.
11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. Mr. Monteith asked for some figures at the last sitting and I understand Mr. Dunton is ready to table them this morning.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:

The WITNESS: I think Mr. Monteith asked for a breakdown of expenditures under certain headings by divisions and we have those for both sound broadcasting and common services, and for television.

By Mr. Monteith:

Q. Have you copies to circulate?—A. Yes, we have enough copies to circulate if you wish.

The CHAIRMAN: There are two sets of figures?

The WITNESS: Yes.

Mr. FLEMING: Will these be put on the record, Mr. Chairman?

The CHAIRMAN: Does the committee agree to have the figures given by Mr. Dunton placed on the record?

Some Hon. MEMBERS: Agreed.

Mr. FLEMING: It might be convenient to have them put on the record at this point as there will be questions following, rather than having them put in as an appendix.

The CHAIRMAN: Yes, we will put them in at this point.

CANADIAN BROADCASTING CORPORATION SOUND BROADCASTING AND COMMON SERVICES

EXPENDITURES APRIL 1, 1953 TO MARCH 31, 1954

	Salaries and Casual Wages	Travelling Expenses	Duty Entertainment
Administration	\$ 559,975.83	\$ 36,366.36	\$ 11,607.73
Engineering	2,016,032.85	40,402.80	430.41
Programs	2,877,542.90	153,396.74	8,522.57
Press and Information	200,107.44	4,877.70	3,203.92
Commercial	186,414.95	8,793.54	875.70
	<hr/>	<hr/>	<hr/>
	\$ 5,840,073.97	\$ 243,837.14	\$ 24,640.33

CANADIAN BROADCASTING CORPORATION TELEVISION SERVICE

EXPENDITURES APRIL 1, 1953 TO MARCH 31, 1954

	Salaries and Casual Wages	Travelling Expenses	Duty Entertainment
Administration	\$ 17,836.20	\$ 3,193.60	\$ 66.59
Engineering	947,802.76	24,387.57	40.86
Programs	1,579,786.43	41,661.79	608.56
Press and Information	22,341.75	95.60	840.72
Commercial	20,232.01	507.75	155.05
	<u>\$ 2,587,999.15</u>	<u>\$ 69,846.31</u>	<u>\$ 1,711.78</u>

Mr. MONTEITH: Mr. Chairman, in referring to the income and expenditure statement do you wish to start at the top and come down each item in order?

The CHAIRMAN: All right, if you can do it.

Mr. MONTEITH: I suppose we might consider the two statements presented this morning first?

The CHAIRMAN: Yes, that would be in order.

By Mr. Monteith:

Q. Why is it, Mr. Chairman, that the entertainment in administration for sound broadcasting is \$11,607.73 while in television it is only \$66.59?—A. Mr. Chairman this first sheet includes sound broadcasting and common services, and as we explained before, that covers not only direct expenditures for sound, but general corporate expenditures which would not necessarily be charged directly to television. As you know, on the income and expense statement there is a charge back from television to sound covering a share of some of these common expenditures. That is why a heading like administration duty entertainment would be general on behalf of the corporation as a whole.

Q. These are 1954 figures, how are they arrived at?—A. In the first place some services which are common are surveyed by the management from time to time to see what proportion is being used for sound and television and then in addition there is a general overhead charge against television and to sound.

Q. Is it done on a percentage basis?—A. It was worked out last year for that general one as 10 per cent, and it is being resurveyed again for the coming year.

By Mr. Goode:

Q. I think before we go into too many figures we should know what duty entertainment means in relation to those figures because anyone reading the record will be astounded at a figure of some \$24,000 or \$25,000 if they do not know what the item means. Can you tell us in a few words what duty entertainment means?—A. Mr. Chairman, it is any entertainment done on behalf of the corporation. A lot of it would be lunches and that sort of thing paid for by staff members of the C.B.C. for business purposes. Occasionally there would be ceremonies or receptions which the corporation arranges when stations are opened or when there is some important new development. This would cover any expenditure of that sort, but of course would not include travelling.

Q. I do not wish to interrupt the questioning from the other side, but I do wish to say that \$24,000 seems like an awful lot of lunches to me, Mr. Dunton.—A. I would say this amount in relation to the size of the corporation as a broadcasting organization is extremely small.

Mr. REINKE: I do, too; I agree with you.

The WITNESS: I know that entertainment always sounds like a dangerous and unnecessary expenditure, but we know from our experience in Canada and in other countries a lot of business and useful discussion in broadcasting is carried on over the lunch or dinner table. I might say from observation that our friends in broadcasting in both private stations in this country and the big American networks with whom we work, and publicly owned organizations in other countries do much more of this sort of thing than we do at times. We have quite a number of visitors from broadcasting organizations from other countries and out of courtesy and usefulness to the organization modest entertainment is provided for them. I know some of us are embarrassed a little bit when we visit some of the friendly organizations elsewhere and find that they do things on a much more generous scale. I am not suggesting we should increase our expenditure for entertainment but it is watched carefully and is all done in the interests of the corporation and not in the interest of fun.

Mr. STUDER: I can almost top that figure just being a member of parliament and not a corporation!

Mr. REINKE: Just go to one of the Speaker's parties!

By Mr. Monteith:

Q. Aside from lunches and dinners and so on are there conventions that you attend and do you arrange entertainment for that sort of thing?—A. It would not be very lavish. We usually send representatives for business purposes to conventions of the association of private stations, but at these affairs we do no elaborate entertaining as some organizations do; however, there is a small amount. I cannot think of any other conventions which we hold. Some organizations arrange elaborate entertainment at conventions. At times, for instance, when we meet affiliated stations or people who are doing business with us, we will arrange a reception of some sort, and occasionally when the board of governors has met outside of Ottawa and is desirous of getting to know the problems of an area we have arranged receptions to meet people in the area. We do not do it in Ottawa.

By Mr. Fleming:

Q. Leaving out of consideration the matter of conventions and the luncheons and dinners you referred to, Mr. Dunton, you spoke about visitors. We know you do have some of them. What proportion of this amount would go on entertainment of visitors—that is, beyond the luncheon and dinner variety?—A. Visitors from outside of Canada?

Q. Whoever they may be. I did not intend to confine the question. You spoke of entertaining visitors.—A. Yes, it is still that form of thing.

Q. What proportion of it would be spent in that way? Can you just give us some idea of what it amounts to?—A. It would be hard to do so although it could be done. It would be a matter of going through all the vouchers.

Q. But can you be more explicit? What is the type of entertainment and who are the people for whom you arrange entertainment other than lunch or dinner?—A. It would usually be lunch or dinner. I do not want to be too personal, but sometimes when there are senior members or heads of the B.B.C. visiting here an entertainment is provided although it is not elaborate. It does, however, afford an opportunity for him to meet people in Canada and for us to repay some of the hospitality we have received over there. I think it is very useful in relations between the two corporations.

Q. What I was getting at was the type of entertainment you have arranged for under those circumstances?—A. In some cases it has been a lunch or a dinner or in some cases a reception.

Q. I take it you have not brought people here and entertained them on the basis, we will say, of tours or putting them up here for extended periods?—A. No. I think there were two cases when officials were brought here really, I think, arising from discussions at the last Commonwealth Broadcasting Conference. For instance, the head of the Pakistan broadcasting organization was invited to come here for a time to provide information for our International Service particularly and to some extent to our national service about broadcasting in relation to other countries and to the commonwealth and in that case part of the expenses—although just part—was paid.

I cannot think of any other instances when whole tours were paid for for visitors, but when they are here we provide some form of entertainment for them as a courtesy.

Q. What are the instructions given by the corporation with regard to entertainment, and I am concerned particularly to know how far down the official scale entertainment is permitted?—A. We would say it is subject to very careful checking and I would ask the general manager to comment on that.

Mr. OUMET (*General Manager*): It varies a great deal with the type of business that we have to deal with. This is all duty entertainment or business entertainment and some groups, as you can see on the list, will do less than others. For example, engineers generally have fewer duties of this type than people who would be more in contact with the public. There is no way of setting a definite rule except to have people ask permission to entertain, and that is the way we control it. I mean, you cannot write a verbal description or a specification of the type of entertainment that can be done. They have to ask permission before they commit the corporation.

Mr. FLEMING: How far down in the official scale is entertaining permitted?

Mr. OUMET: I would say generally it would be restricted to fairly senior officials such as heads of divisions and heads of departments, and anything else would be considered as a special case.

Mr. FLEMING: Any entertainment done in connection with programs would not be regarded as giving entertainment—that would go into the expense of the program?

Mr. OUMET: No. It would still be called entertainment.

Mr. FLEMING: But there is some entertaining done in connection with the preparation of programs?

Mr. OUMET: That is correct, but whoever was giving it would have to ask for permission.

The WITNESS: It would be included in this breakdown.

Mr. FLEMING: Do I understand that an official who is presenting a program would have to obtain permission before he undertakes any modest entertainment?

Mr. OUMET: It would depend on what we are speaking about in terms of the scale of the entertainment. If somebody wanted to hold a dinner for ten in connection with a program he would have to have permission.

The CHAIRMAN: They are keeping good control.

Mr. OUMET: Mr. Bramah tells me it simply does not happen.

Mr. FLEMING: What does not happen?

Mr. OUMET: The example I have given is not a very good example because it does not happen.

Mr. FLEMING: This entertainment for ten?

Mr. OUMET: Yes. These figures must be related to the size of the corporation. We are dealing here with the total duty entertainment expenses of the corporation for all our 22 operating points and our 4,000 employees. I imagine that for the year under consideration the total expenditure was of the order of \$25 or \$30 million.

Mr. BOISVERT: Did you compare your duty entertainment expenses with the amount spent on entertainment by some other corporation, such as a Crown corporation or some corporation outside?

Mr. OUMET: No, we have not compared it with other corporations here, but as the chairman has said we have compared it with that of other broadcasting organizations and we know that the scale of what we permit with respect to entertainment is much more modest than the sort of thing other broadcasting organizations seem to be ready to dispense.

Mr. CARTER: Is there any special reason why the C.B.C. does not give receptions in Ottawa? I think it was said that certain receptions were not given in Ottawa.

The WITNESS: It is just because the board meets here more often, and I presume that they have had more chances to meet people here. It has happened on two or three occasions, but by no means on every occasion. When we go to Newfoundland or to Vancouver there is usually entertainment provided for the board and the officials, and it is very useful in many cases to have a reception and meet civic officials and other local people and usually very useful discussions arise at that sort of affair.

Mr. HANSELL: Many years ago an item of this sort was brought up under a previous management and there was some serious criticism levelled at the management at that time and I recall that in that committee the treasurer of that day gave evidence, and was asked if he considered the amount out of line, and I recall that he stated that it was not out of line when it was compared with the expenditure of similar institutions in other corporations. I bring this up only to indicate to you that the criticism from some sources at that time went rather seriously against that previous management. I do not know whether this is out of line or not, but I am saying now that Mr. Dunton's statement would be similar to that of the treasurer some years ago and I hope criticism does not reach the proportions that it did in those days because I believe the management are trying to do the right kind of a job in their public relations, and an item of this kind comes under public relations.

Of course there is another thing which I am concerned about: if we are too harsh in our criticisms, when we go down to Montreal next Friday they may give up porridge for dinner.

The CHAIRMAN: I do not think there is any danger of our having only they may give us porridge for dinner.

Mr. GOODE: I have had quite a lot to do with duty entertainment in one corporation. This figure works out—I am going on a basis of 365 days a year—at about \$71 a day. It seems like a lot of money if you consider only the total, but when you get it down to that and take into account the number of the divisions which Mr. Dunton is controlling, I rather think the corporation is keeping the expenditure down to a very reasonable figure. Frankly, if I were trying to criticize this I would have a very difficult job to do it successfully.

The CHAIRMAN: Are there any other questions?

By Mr. Monteith:

Q. With regard to travelling expenses, Mr. Chairman, I notice that program travelling costs more than any other category. Travel in relation to engineering

comes next, and Administration follows. Take the heading "Programs". Just what does it mean? Does it represent travelling between here and Montreal, or out to Vancouver?—A. I think this arises basically from the fact that we have to cover the whole of Canada in our programs and Canada is a very big country. A high proportion of this expenditure would represent program operating travel. We have, as members of the committee know, many "actuality programs" in the country. There are many sporting events, many farming activities which go on in different parts of the country and in many of the programs which relate to these activities travelling is the chief item of expenditure because a crew has to go out to get the program. Then there are programs which by their very nature move round the country—talent programs, for example, such as "Opportunity Knocks" which gives amateur talent a chance to appear. A small group of people has to travel around on that program to different parts of the country. Some of the expenditure relates to bringing people in to take part in programs. If it is necessary, for instance, to bring a certain person in for a panel program his expenses have to be paid. Coverage of the coronation would have involved a fairly big expenditure this year. Again this year in such a program as "Pick the Stars", for instance, the travelling expenses involved were fairly high. So a very considerable part of this expenditure would concern travel directly related to the production of programs.

Q. If Mr. Dunton does not know the actual accounting procedure with regard to paying both travelling and duty entertainment expenses, perhaps the treasurer would give us an account of what the procedure is.

Mr. BRAMAH: They are quite separate, Mr. Monteith.

Mr. MONTEITH: I appreciate that.

Mr. BRAMAH: Before a person travels anywhere he has to submit a requisition with respect to that travel in advance. This is considered by the head of the department or by the director of programs, and if it is over \$200 it goes to headquarters for special permission to travel. Duty entertainment is separate also, and as Mr. Dunton has mentioned any excessive amount would be specially reviewed; any amount over \$100 we would consider very exceptional.

Mr. MONTEITH: What is the procedure if someone has a travel advance—would he actually be given a cheque or cash for, say, \$100 as an advance?

Mr. BRAMAH: Yes, and then he would submit a claim in respect of that later.

Mr. MONTEITH: Are any of these advances outstanding all the time?

Mr. BRAMAH: No. There is no permanent standing advance. Each trip has to be accounted for and each trip is settled separately and claims have to be submitted within ten days of returning to base.

By Mr. Goode:

Q. This item amounts to approximately \$860 a day. That is a little different from the other amount and I admit it is spent for a different purpose but it does seem to me that it is an awful lot of money for travelling expenses. I am working this out on a basis of 365 days a year, though I doubt whether people are in fact travelling every day of the year . . . —A. I would say that every day of the year at least quite a number of the corporation would be travelling.

Q. It amounts to \$860 a day and that is an awful lot of money.

Mr. FLEMING: That figure represents the expenditure with regard to sound broadcasting, of course—\$240,000. Television expenditure amounts to \$70,000.

By Mr. Goode:

Q. Yes, this only covers sound broadcasting. I do not know how the television expenditure works out per day, but the combined figure will be

approximately \$1,000 a day.—A. It arises from the size of the country which we are trying to cover. I would guess that the B.B.C. has a far smaller proportion of travel expenses because they are operating in a small country. Take for example the British Empire games which the C.B.C. covered last summer. The C.B.C. gave the event big coverage in both sound and television which went all over the world, and I think it was excellent publicity for this country.

Q. For Vancouver it was terrific publicity. Always put that in.—A. I was relying on you to do that, Mr. Goode.

Q. In order to cover that event 110 people had to go out to Vancouver and live there for some time.

Hon. Mr. McCANN: And, for the coronation, we had no mobile wagons in Ottawa, and they had to be brought along with a big staff in order to operate. They had to be here a day previous to the coronation and it took another day or two to get back.

Mr. GOODE: We can take it then that it will be an exceptional case where your travelling expenses would be \$1,000 a day. What was the figure previously? Have you got it here?

The WITNESS: A little later, maybe, I shall be able to produce it.

By Mr. Fleming:

Q. I was going to ask for the totals of the travelling expenses over two or three years, and for the same information with regard for duty entertainment. What was the total for the two years before this—this year and the two previous years? Will there be much difficulty in getting that information?—A. It could be obtained quite quickly.

By Mr. Goode:

Q. When you took a crew from Ottawa to Vancouver, for instance, to cover the Games—did the crew travel on a pass or did you have to pay the railroad fare?—A. We have no passes. We have to pay everything.

Mr. FLEMING: And no franking privilege.

The WITNESS: No, we pay our own postage and our own fares. As I said, we not only have to cover the whole country, but we have to operate across it, and as members of the committee know our two main operating points are Montreal and Toronto, with our head office established by law at Ottawa. We have other fairly big operating points from St. John's to Vancouver and each of these points is part of a whole national organization that is supplying broadcasting to the people in that area. To have an organization that is "live" there should be quite a fair amount of travelling within the organization.

One example which comes to mind is this: we are often criticized about the pronunciation used by announcers on the air. We have one expert in this field and in order to do his work with the announcers he has from time to time to travel across the country to various points. The same thing applies to agricultural broadcasting. The head of that division, if he is going to do his job properly, must from time to time visit the main agricultural regions of the country. The board feels that other senior officials too, should try to get away more often to see what work is being done in the field—get out to the various areas, see the problems there and become familiar with the operations at those points and with the opinions held there. It is also inevitable, unfortunately, that there should be a fair amount of travelling between Montreal, Ottawa and Toronto because the two main operating points and the head office of the corporation are situated in these cities and consultations must take place on all sorts of subjects. Quite a few senior C.B.C. people would be very happy if they could travel less. It is not a question of wanting to travel more.

Mr. OUIMET: We would do a better job if we travelled more, but we have not got the time.

Mr. FLEMING: Would you elaborate on that, Mr. Ouimet?

Mr. OUIMET: Some of us are so busy and so tied up with urgent problems that we have not got the time or the opportunity to visit some of the outlying points as often as we should.

Mr. FLEMING: You are thinking now of supervision—of administration.

Mr. OUIMET: I am thinking of supervision at management level.

Mr. FLEMING: You are thinking of administration?

Mr. OUIMET: Administrative questions generally—management.

Mr. FLEMING: You are not suggesting that more travelling is required for programming, or engineering, or in relation to Press and Information, etc.?

Mr. OUIMET: Some of the senior people in the various divisions could do a little more travelling.

Mr. GOODE: How many times were you in Vancouver during the period covered by these expenses?

Mr. OUIMET: In 1953-54 I was there once, I believe, but I have not been there since.

Mr. MONTEITH: Suppose somebody has to take a taxi cab in Montreal or Toronto. No travel advance would be made with regard to that. How is that expenditure accounted for?

Mr. OUIMET: That is local transportation.

Mr. MONTEITH: Is that separate from travel, or is it included under travelling?

Mr. OUIMET: It depends. In certain cases we have our own vehicles for operating purposes. If crews of men have got to make a local outside broadcast in the city of Toronto, for instance, we would provide a vehicle to carry the men and the equipment to the job, and we will not use a taxi if there is some way out of it. The decision with respect to this is simply made on the basis of what is the most economical way of handling the assignment. In certain cases they must have permission; in other cases where journeys have to be made more frequently people may have authority to go ahead, and then it is checked after it is done.

Mr. MONTEITH: Would that money be paid out of the petty cash fund in the head office concerned?

Mr. OUIMET: Yes.

Mr. CARTER: Can they use deluxe trains?

The WITNESS: If they can afford it.

Mr. FLEMING: I presume we can go back to this subject if there are any further questions that may arise out of the information which Mr. Dunton is giving.

The CHAIRMAN: Yes.

By Mr. Dinsdale:

Q. Mr. Dunton referred to the expenditure involved in covering the coronation broadcast. Did we originate the entire coverage with the C.B.C., or did we cooperate with the B.B.C.?—A. No. In television the B.B.C. did what we call the "pick-up," with their cameras, which picked up the whole thing. Our problem was to get it from their control room to Canada and to the screens of Canadian homes as quickly as possible. That involved a very intricate

operation and we had to make arrangements for recording the material in London. A crew went over with recording equipment and made all the complicated transportation arrangements.

Q. They did the actual picking up?—A. Yes.

Q. And they made use of jet aircraft and so on?—A. Yes.

By Mr. Goode:

Q. What are the instructions from the executive level in regard to using the government railroad for travel, in preference to the other one, when both railroads serve the same point? Suppose Mr. Ouimet had to go from Ottawa to Vancouver?

Mr. OUIMET: I have not taken the train from Ottawa to Vancouver for quite a long time. The last time I went, I went by plane.

Mr. GOODE: There was no pass?

Mr. OUIMET: No pass!

The WITNESS: There is no policy as to which should be used.

Mr. GOODE: I was hoping that a lot of this \$300 thousand would come back to Canada in another way.

Mr. FLEMING: I hope there will be no discrimination against the Canadian Pacific Railway. After all, that company pays taxes.

Mr. GOODE: No one mentioned discrimination. I thought we should help to pay for the Canadian National.

Mr. FLEMING: It is my view that there should not be any discrimination as between the Canadian Pacific and the Canadian National.

The CHAIRMAN: A lot of people who travel from Ottawa to Vancouver take the Canadian Pacific going and the Canadian National coming back. There is no discrimination there.

Mr. HANSELL: They claim that for business men, counting time and everything, it is just as cheap to fly as it is to take the train.

Mr. MONTEITH: It is agreed, as Mr. Fleming suggested, that we can come back to these items when we receive later information?

The CHAIRMAN: Yes.

Mr. MONTEITH: On the over-all picture in sound, commercial broadcasting in 1952 was—

The CHAIRMAN: What page?

By Mr. Monteith:

Q. This is in 1952; it was \$2,456,431. In 1953, it was \$2,513,714. That is an increase of over \$900 thousand.

In 1954 it drops back—pardon me that was an increase of over \$90,000. I said \$900 thousand; in fact, it is an increase of \$57,000 roughly.

In 1954 it drops back again to \$2,471,000; and at the same time your expenses are continually going up. In 1952 they were \$10,674,000 odd; and in 1953 they were \$11,389,000 odd; and in 1954 they were \$12,531,000 odd.

I am speaking purely of the fluctuation in commercial broadcasting. I am not taking into consideration any funds received by statutory grant or any other form of taxation. I am just wondering what justification there is for the continual increase in expenses over the last few years, being a total of \$1,900,000 over the last three years, while there has actually been a slight increase in one year, and a falling back in the next year in commercial revenue.—A. On the commercial revenue side the reduction or tendency toward reduction arises from the development of television. Any increase in expenditures is accounted

for first and primarily from an increase in cost rates to us; for instance, an increase in wages and salary rates arising from collective bargaining. That has been the major item of increased expenditures over the last several years. In addition we have—and this is referring to sound broadcasting—opened a few new facilities in the last two or three years, such as the French network to western Canada, the French language station in Moncton, the studios in Regina, and quite a few low-powered repeater transmitters—about thirty—in the last two or three years, involving increased operating expenses for wire lines.

This is an example of how we have to run a national service. We cannot directly relate expenditures each year to commercial income although, of course, we take it into account. But we have tried, so far as the matter of policy is concerned, to maintain a sound service just as good as it was over the years you stated. There is still some necessary development being carried out to a small extent; but at the same time we simply could not step up our commercial broadcasting revenue with the development of television and with the policy restrictions recommended by the Massey Commission on local commercial business.

By Mr. Monteith:

Q. Do you presume that the sound commercial broadcasting revenue will continue to decrease somewhat.—A. We think it will, yes, partly, because in sound broadcasting all across the continent it is network business, nighttime network commercial programs particularly, which have been most severely hit as television has developed, since ours is mainly a network operation. Our commercial revenues have been under a specially heavy pressure. In broadcasting, general daytime business and non-network business has stood up best, but that is just the kind of business we have very little of in sound.

Q. Do you expect this trend towards a drop in commercial revenue to continue?—A. As a matter of policy we foresee, taking all the circumstances into account, that we probably should pretty well be putting a ceiling on the development of sound operations, and unless this committee—or unless it becomes more financially possible—we cannot do some of the extensions of coverage which have been recommended or mentioned here and asked for in various parts of the country; but apart from that, there is at the present time, from last year and the year ahead, some increase arising again from the increased cost rates to us. For instance, as you know, we made a settlement with a technical union several months ago; we are in for another five per cent increase dating back to August; and a settlement on the same rough terms has been negotiated with one of the other main unions, so we have to count roughly on another five per cent for half of last year and for the full twelve months of the coming year pretty much through our whole structure.

Q. I am assuming that with an overall increase in expenditure you would make some effort to increase your revenue, apart from the revenue you get from taxes, and so on and the grant; is there any effort made to increase your broadcast revenue?—A. Yes. Our management is doing quite a lot to try to get sound broadcasting business for the networks. In terms of potential dollars of net income we are extremely handicapped by the general policy and recommendations of the Massey Commission which said that in general we should keep out of non-network business, and that is where the money comes from in broadcasting, in local or non-network spots.

Q. Have you got any particular project in mind which would continue to increase the expenditure of the sound end of it?—A. No, we have not, although we know there are quite a few things which would be desirable. Mr. Carter mentioned one on the south shore of Newfoundland; and we still get a good

many requests from different areas of the country, such as the interior of British Columbia, northern Ontario, parts of northern Canada, parts of northern Quebec, and parts of New Brunswick for increased coverage. But as it stands at the moment we are having to take the position that we simply cannot envisage further commitments in operating expenditures because we cannot see the money in sight. I know that several of these things are desirable. Whether we will be able to do them or not we do not know; but we have not at the moment any actual plans to put them into effect.

By Mr. Fleming:

Q. You mentioned the Massey report. Does the corporation consider itself bound to follow the recommendations in that report?—A. Not completely. There is nothing legal about them. But I think this policy for sound broadcasting of not taking non-network business has been established for some time and discussed at earlier broadcasting committees.

Q. Undoubtedly parliament put at your disposal certain revenue in the light of the recommendations in the Massey report. I suppose the opinion of the Board of Governors is that they have to take the bitter along with the sweet.—A. That would be part of it.

Q. In other words, the obligations along with the benefits?—A. That would be part of it, yes.

Q. But in general I take it the board as a matter of policy, has sought to give effect from day to day to the recommendations in that report?—A. In general, yes.

Q. Are there any which the board has run counter to in its operations?—A. I cannot think of any.

Mr. MONTEITH: Mr. Chairman, I wonder if we might have a breakdown over the last two years in the matter of interest on investment and miscellaneous. There are both under income. Would interest on investments include bank interest and bond interest?

Mr. BRAMAH: Just bond interest.

Mr. MONTEITH: Where does your bank interest appear?

Mr. BRAMAH: Under miscellaneous.

Mr. MONTEITH: That is all bond interest, interest on investments?

Mr. BRAMAH: Yes sir.

By Mr. Monteith:

Q. All right then. Let us have miscellaneous?—A. I think we can have that in a minute or two.

Q. Very well.—A. I can give it to you now, if you wish, for 1953-54; this is a breakdown of the miscellaneous item; supervision of international services, \$99,000. Would round figures be sufficient?

Q. Yes.—A. Sale of program schedules, \$27,000.

Q. How much was that again, please?—A. \$27,000.

Q. Right.—A. Interest and bank exchange, \$5,000.

Rental on dwellings, \$3,600.

Cafeterias; rental on cafeterias, \$3,400. I am sorry; there are two rentals, cafeterias, \$5,500, and sale of booklets, \$635.

Q. That \$5,500 is rental on cafeterias?—A. Yes.

Q. And for the sale of booklets?—A. \$635; and miscellaneous, \$8,800.

Q. What is meant by the sale of program schedules?—A. Mostly the "C.B.C. Times", which is sold, and is placed on the expenditure side, and the gross expenditure is put in. This represents revenue from the sale of the "C.B.C. Times".

Q. You would not happen to have a copy of it with you, would you?—A. The “C.B.C. Times”? Yes; we have some copies here.

By Mr. Fleming:

Q. I have a question or two about the “C.B.C. Times” in particular. What is the circulation of the “C.B.C. Times”?—A. I think I gave it to you the other day.

Q. Just in round figures?—A. I think I said it was 26,000.

Q. 26,000; and what are you charging for it?—A. \$2.

Q. \$2 a year?—A. Yes, for most of the editions, but one edition sells for \$1.

Q. You derive then about \$50,000 a year revenue from that publication?—A. No. \$26,000.

Q. But you said that the circulation was 26,000 and that it sold for \$2 a year.—A. I have the figures before me. The total paid circulation—this would be for last year—was 19,600; and the free circulation would amount to \$6,200.

Q. In general, who are the people who are purchasing or subscribing to it? Who are the paid subscribers for the “C.B.C. Times”, and who are the people on the free list?—A. The free list is made up in general of people who used to get the various printed schedules which we put out free.

Q. Would they be just interested individuals, or people in the business?—A. The free list includes mostly people who are in the business such as newspapers, publications of various sorts, advertising agencies, affiliated stations, and people who are in some way connected with us in a business way. I think it has been offered to members of parliament. The paid circulation comprises simply people who have themselves asked to subscribe. It is occasionally mentioned at exhibitions and so on, and people are told that they can subscribe if they wish to do so.

Q. What is the total cost of that publication to the C.B.C. against which you have received some revenue?—A. About \$75,000 as a gross cost.

Q. You say that the gross cost is about \$75,000. Does that include administration as well, or is that just the printing and publishing cost?—A. Printing, publishing, and direct salary cost.

Q. There is nothing in there for overhead or anything like that? What would be fair to allow for that as well?

Mr. R. C. FRASER (*Director of Press and Information*): Ten per cent has been suggested as a probable figure; but it is difficult to separate it because the people engaged on the “Times” do so many other things.

By Mr. Fleming:

Q. Suppose we add ten per cent to it, making \$82,500; what is your revenue in the year?—A. For this year we mentioned \$27,000.

Q. So your net loss on this is about \$55,500 in a year. Is it necessary in your opinion, Mr. Dunton, to put out as elaborate a publication as this which is costing an out of pocket net of about \$55,000 a year?—A. It has been thought so until now. Studies were being made and an experiment was going to be tried of making it somewhat bigger but with less expensive paper. However, this serves a number of different purposes. As I have explained to earlier committees, we used to have to put out quite a variety of printed material for newspapers for use inside the corporation and for affiliates and so on. This serves the purpose that was served by all the printed material which used to be published. It has to be a little more elaborate in order to do that job. Naturally we would like to get more revenue for it, but the expenditure is very well made in view of all the uses to which it is put.

Q. I recall the exposition in earlier meetings of the purposes of the publication, and if I remember rightly, the publication at earlier stages was much less elaborate and a less expensive looking publication than it is now?—A. I do not think so. I believe it is better turned out, but I think it is the same grade of paper, and the same type of printing and so on. Unfortunately, I believe the printing costs have gone up a good deal.

Q. You have been sending this publication to me and I look it over each time it arrives. You have explained previously the necessity of having this information available to people who require it, but it strikes me that here you are incurring an annual loss of \$55,000 on it, which I believe is a formidable loss that calls for some examination of the extent of the publication and some resolute measure to reduce that loss. There is another angle that has been drawn to my attention. This in effect is a subsidized publication which brings you, I am told, into direct competition and necessarily on an unfair basis because it is subsidized, with some others who put out publications of a similar nature—private organizations?—A. I would suggest there is not much competition as I can think of no other publication which is doing the same job. This deals solely with C.B.C. programs. Any other publications I have seen deal with all sorts of different programs. This is solely for people interested in C.B.C. programs.

Q. You do not have to cover exactly the same field to compete unfairly on a subsidized basis with people who may be in the field. There are some publications in this field, are there not?—A. There have been at different times; I am not sure I know of any at the moment.

Q. I have been told of one in particular, the Western Television—a monthly magazine which has been published since October, 1953.—A. I do not think it gives schedules and that is the prime purpose of this publication, to give schedules and information about programs. I must say, it has never been suggested to us that the C.B.C. Times was competing with any publication.

Q. I am told that they find this publication directly competitive with them?—A. That certainly has not been suggested to us that I know of.

Q. If it were suggested here, would you examine the question?—A. We would consider it, but we would also have to consider it on the basis of the different purposes it serves for the corporation. It is the one compilation we have of information about programs going out. It serves an extremely useful purpose and we do not lose money on the additional copies made available to the public.

Q. But you have your mailing charge?—A. Yes, but as I say, the subscription cost covers the cost of turning out and sending additional copies to subscribers, so when we take on a new subscriber we are not losing money. We do not get back from subscribers the cost of the original work of putting the magazine together, but the work would have to be done anyway in order that we would have in one place a compilation of information about the programs.

Q. What would your mailing cost be per copy?—A. It would be on a poundage rate, and would be very low. I suggest it would be too bad to think that the C.B.C. were to have to refuse to make available to people who will pay for it at a sum of \$2 a year in order to get information about our programs when the information has to be compiled and printed in some form in any case.

Q. If it were simply on the basis of a house organ, Mr. Dunton, through which you were giving necessary information concerning your own programs to others that would be one thing—A. What else is it doing?

Q. I have been reading it for some years, and I think that you are going beyond that in quite elaborate form. It strikes me that this is one place where if there is a will some reduction could be made without neutralizing the essential purpose that this was originally intended to serve of giving your program information to the people who require it?—A. On the other hand, we find that quite a lot of people are interested in programs, but if you want to get \$2 a year for that, you have to give them something relatively attractive—

Q. —all the pretty pictures?

By Mr. Bryson:

Q. Does the C.B.C. publish a western region schedule?—A. There is a prairie edition, a British Columbia edition and a French edition which is called "La semaine a Radio-Canada."

By Mr. Carter:

Q. Mr. Chairman, I was just reading a letter in the eastern edition where a subscriber asks who handles complaints about interference on the radio, and the reply says it is the responsibility of the Department of Transport. I wondered if you would have the appropriate official visit our offices and find out what is causing the interference on the radio in the House of Commons?—A. I think Mr. Browne will be coming. If it is a question of the actual sets, perhaps one of our technical men could have a look at the problem.

By Mr. Fleming:

Q. Mr. Dunton, coming back to this question again of the C.B.C. Times, do you not advertise the magazine with a view to enlarging the number of subscribers?—A. It is announced on the air and has been mentioned at displays we have had at exhibitions and that sort of thing.

Q. And in these air announcements—which are advertising spots, are they not?—is their value at ordinary rates, included in the figures you have given as to the cost of putting this magazine out?—A. No.

Q. Why are those not included in the cost?—A. In the first place, we do not sell spot announcements on the network.

Q. But while you do not sell them, you tell us you do use them to advertise this particular publication?—A. I would not use the word "advertise"; it is rather a case of informing listeners it is available for them if they wish to have it. I think it is part of our job as a corporation to let listeners know there is material available about programs on the national system which they may have if they pay for it.

Q. What would be a typical spot announcement in this respect?

Mr. R. C. FRASER (*Director of Press and Information*): We might decide for a week or so to offer sample copies. I believe we would say, "To obtain your free sample copy write to . . ." or we might say, "Read the C.B.C. Times regularly for up-to-date information on programs . . ."—something like that—just general spot announcements.

Mr. FLEMING: How frequently do they come?

Mr. R. C. FRASER: That will vary a great deal depending on our ability to handle the requests which come in. We do not have large staffs to handle the floods of requests. For instance, in an average month we might put on in any one region, let us say in the western region, perhaps 30 spot announcements.

Mr. FLEMING: Is there any region where you have been "pushing" the C.B.C. Times more strongly than in other regions?

Mr. R. C. FRASER: No.

Mr. FLEMING: The policy is uniform everywhere?

Mr. R. C. FRASER: Fairly well. As I say we are not equipped to handle any large influx of queries or requests for the Times.

Mr. FLEMING: And those 30 you spoke of that would be over the network?

Mr. R. C. FRASER: No, that would be placed on an individual station basis.

Mr. FLEMING: Would those be C.B.C. stations or affiliates?

Mr. R. C. FRASER: C.B.C. stations only.

Mr. FLEMING: Over how long a period?

Mr. R. C. FRASER: Approximately one month, and that would include three stations.

Mr. FLEMING: That is an average of one a day of the three?

Mr. R. C. FRASER: No. An average of ten per station for the month. But they can vary.

Mr. FLEMING: Would it be about the same for British Columbia?

Mr. R. C. FRASER: It would vary from time to time. I cannot just generalize on it. They might use two a day for a period of two weeks, and then stop for two weeks.

The WITNESS: The problem, I think, is this: throughout the years we have had a lot of requests from listeners saying "I would like to know what C.B.C. programs are available. I find the information given in the newspapers is very sketchy and I would like to know in more detail what I can hear or see during the week." At one time we used to consider meeting some of these requests by sending a free schedule, but that was expensive. On the other hand it seems poor service if an organization such as ours is not able to let listeners know more fully what programs are available to them, so we developed this C.B.C. Times which serves all the other purposes which I have mentioned; and if the listeners want to have this information they pay the extra cost of getting it to them. It would be too bad if the C.B.C. were either to give away program information free—we cannot afford that—or if it were to say "we won't sell you anything either—we won't permit you to subscribe to a permanent schedule."

Mr. FLEMING: I am not pressing this point at the moment, but it strikes me on the whole that this is a place where there could be some further effort made to bridge the very wide gap between cost and revenue.

Mr. MONTEITH: I am quite sure this information is available—it is a matter of duplicating it or compiling it in such a way that it is available. These items of expenditure—from Programs, Engineering, Station Networks and so on down to Interest on Loans, which I think is self explanatory—I wonder if we could get a breakdown showing us the expenditure in greater detail?

The CHAIRMAN: Are you reading from the report?

Mr. MONTEITH: Yes.

The CHAIRMAN: On what page?

Mr. MONTEITH: Page 48.

The WITNESS: You are asking for a breakdown under what sorts of headings?

By Mr. Monteith:

Q. Whatever headings you have in your ledgers. Undoubtedly you have got salaries, duty entertainment, cost of travel, and all the other items which go to make up, for example, that one item headed Programs and amounting to \$7,575,164, as well as for engineering, station networks and other administrative expenditure. I think you did give the information with regard to Press and Information and the commercial division.—A. Yes, that could be done.

Q. Could it be done for two years—1953 and 1954?—A. A lot of work would be involved but it could be done.

Q. May I ask that as soon as this information has been compiled it should be mailed to us so that we would have a chance to look at it before coming into the committee? I imagine there would be quite an amount of information given there, and we would then have an hour or two to look over it.—A. If the committee wishes, we could give the information to the clerk.

The CHAIRMAN: Give it to Mr. Gratrix and it will be mailed to every member.

By Mr. Dinsdale:

Q. Mr. Chairman, from time to time during this session of the committee Mr. Dunton has referred to the cost of programming television, and I am wondering if it would be possible for him to give a breakdown of the costs involved in a typical television program?—A. Mr. Dinsdale kindly tipped us off that this question might be coming and we have such a breakdown ready right now.

The CHAIRMAN: Have you got copies for members of the committee?

The WITNESS: Yes, we have copies.

The CHAIRMAN: All right. You will have the information now.

The WITNESS: This will be a cost breakdown for a typical one-hour television dramatic program.

The CHAIRMAN: Would you want this put on the record Mr. Dinsdale?

Mr. DINSDALE: Yes, I think so. Let us have a look at it.

COST BREAKDOWN
for Typical One Hour CBC Television Drama

COST		DETAILS
Operators	\$ 1,087.50	Crew of 20 for 14.5 hours @ \$3.75 per man hour
Master Control ..	83.37	14.5 hours @ \$5.70
Studios	739.50	14.5 hours @ \$51.00
Production Staff.	1,175.75	14.5 hours @ \$38.00
		Producer
		Production Assistant
		Script Assistant
		Staff Announcer
		29.75 hours @ \$21.00
		Producer
		Script Assistant
		Production Assistant ($\frac{1}{2}$ time)
Stagehands	491.00	177.5 hours @ \$2.70 plus \$11.75 for Special Effects
Total Facilities		
Artists*	3,590.00	12 Principal Artists
		2 Bit Players
		9 Supernumeraries
Script	500.00	
Total Direct		
Programme Costs	4,090.00	
Designer	334.25	95.5 hours @ \$3.50
Make-up		
Labour	67.50	13.5 hours @ \$5.00
Material	5.00	Outside Purchases only
Costume		
Labour	124.80	48 hours @ \$2.60
Material ..	26.15	Modern play—hence low costume cost
Paint Shop		
Labour	317.38	135 hours @ \$2.30 plus sales tax as applicable
Material ..	51.81	Purchases, stock, sales tax
Carpenters		
Labour	490.98	137.5 hours @ \$3.25 per hour, plus sales tax as applicable
Material ...	245.48	Purchases, stock, sales tax
Titling	83.25	18.5 hours @ \$4.50
Properties		
Labour	521.70	111 hours @ \$4.70
Material ...	345.37	Outside Purchases and rental only
Total Design and		
Staging	2,613.67	
Film Inserts	80.00	
TOTAL COST.	<u>\$10,360.79</u>	

*Principal Artist hours average 31 including rehearsal and broadcast.

Bit Players hours average 17 including rehearsal and broadcast.

Supernumeraries hours average 14 including rehearsal and broadcast.

N.B. All rates shown above are departmental, including all items of expense generally associated with the term "overhead"; such as rental, lighting, heat, sundry supplies and staff costs.

By Mr. Monteith:

Q. Actually I was thinking of sound broadcasting only when I made my request a moment ago. Would it be too difficult to include the figures with regard to television?—A. It could be done. All the information is available.

Q. I know it is creating some work but I think that in order to get the proper picture of these accounts the information will be very useful. If you can have it prepared it will be greatly appreciated.—A. Yes, it can all be done.

Q. I presume you are going to discuss this matter of program costs in a moment but there is just one matter to which I would like to refer with regard to the statement on income and expenditure. I notice that in 1953 there were legal fees of \$17,610, and in 1954 of \$13,147. I would like to ask two questions about this: have you any "legal lights" on your staff, and secondly what type of legal expenditure would this involve?

Hon. Mr. McCANN: What is the necessity of going back to 1952 when that report was under examination in the committee two years ago?

Mr. MONTEITH: It has not been under examination.

Mr. FLEMING: It was not before the committee two years ago because it was not available at that time.

Mr. MONTEITH: The 1952 report was, but not the 1953 report.

Mr. FLEMING: The report for the year ended March 31, 1953 was not then available.

Hon. Mr. McCANN: I was going to suggest that probably a lot of the answers could be found by going over the records on the committee.

The CHAIRMAN: The committee has allowed this to be done for the purpose of making a comparison between the two reports.

The WITNESS: With regard to the enquiry about legal staff, I can say in general that we have to have most of our major legal work done by outside counsel. That may involve work on questions of copyright, legal work in connection with the acquisition of properties, in connection with the pension fund and so on. Once or twice we have needed advice in relation to possible suits because of programs, or cases involving programs or rights. Exactly what was involved this year I would have to check back and see.

By Mr. Fleming:

Q. Can you give us a breakdown of the fees paid to counsel and solicitors for this two-year period?—A. You wish to have them by name?

Q. Yes.—A. That raises again, Mr. Chairman ...

Q. It is standard practice in the House.

The CHAIRMAN: Has such a request been made already in this committee?

The WITNESS: I don't remember one.

The CHAIRMAN: If the committee is ready to accept the request of Mr. Fleming to be given the names of the counsel working for the C.B.C. ...

The WITNESS: To my knowledge this particular request has not come up. I thought the committee has not made us produce particular details of other business arrangements.

Mr. FLEMING: The rule you have set up in some circumstances is that you do not want the right hand to know what the left hand is doing, but that obviously apply in this instance. The payment has been made, and the rate is not necessarily uniform at all. We get information in the House from time to time of the amounts paid by various departments to various firms of solicitors whom they have retained, and I think it would be appropriate to have similar information here. It would not be very difficult in regard to an amount of this size to show the committee what payments make it up.

Hon. Mr. McCANN: There could not have been many employed for that amount of money.

The CHAIRMAN: Is it the wish of the committee that those names be produced? I would like to have the opinion of the members on the question.

Mr. RICHARDSON: What would be the purpose of producing it? What use will it be to the committee? As a mere member of the committee I ask what use will it be?

Mr. FLEMING: I am not prepared to guess in advance what the information may be or what it may convey to us. I know we get this information in the House when it is asked for.

Mr. RICHARDSON: Just because the Houses wastes time I do not think that we should.

Mr. FLEMING: There won't be any time wasted if we do not discuss it here interminably. I have some questions to ask about the selection of counsel.

Mr. BOISVERT: You are not asking for the pictures of the lawyers?

Hon. Mr. McCANN: There is no objection as far as I can see except that of precedent. Many difficulties might arise with regard to expenditure if you gave away business that was of a competitive nature.

Mr. FLEMING: There is nothing competitive in this matter.

Hon. Mr. McCANN: Except that some lawyer might come along and say "so you paid so and so \$2,000—I could have done that job for \$1,000".

Mr. RICHARD (*Ottawa East*): I have no objection to the names being given, but we are here to inquire into these accounts—to find out whether they are reasonable, and whether the money is well spent. If we know that a certain man has charged \$3,000, for example, for work on a copyright case and in the course of its preparation and so on, I think we should be satisfied that he has charged such a fee—the only other information, the knowledge for example that Mr. Fleming got \$5,000—will not give the committee any satisfaction at all. In fact we may just be jealous. I do not think anyone here is going to dispute whether it should have been Mr. X or Mr. Y who did the work. It does not give us any information. It is the amount spent which is interesting.

The CHAIRMAN: I understood Mr. Fleming to tell me that he wanted to know the names of the lawyers in order to be able to ask questions on the selection of the lawyers.

Mr. FLEMING: That is another matter. But on this question of the information which I have requested, I say that this is information which we should have. I presume the C.B.C. was satisfied that the amount charged was fair and proper, or they would not have paid it. This is not a question of reviewing the fairness of the charge in each case. I think we are entitled to know where the money was spent. There may be questions as to the particular work done. I am not forejudging that.

Mr. RICHARD (*Ottawa East*): I do not think you answered the question about whether you had your own legal staff—have you one lawyer or more permanently engaged?

Mr. OUMET: We have two lawyers by profession in the corporation, and they do other work also in addition to legal work. Obviously we get their advice on legal questions, but as I say they also do other work.

Mr. FLEMING: There does not seem to be any objection from the committee with regard to my request for that information.

The CHAIRMAN: I am in the hands of the committee.

Mr. WEAVER: It does not seem to me to be the type of information which we should be asking for, Mr. Chairman.

Mr. FLEMING: Why not? We are here for the purpose of getting information which is made available from the departments—why not from the C.B.C.?

Mr. WEAVER: I cannot recall any names being mentioned so far with regard to people working for the C.B.C.

Mr. FLEMING: We have had hundreds of them—people employed in a multitude of capacities on these programs—hundreds of them.

The CHAIRMAN: Well? What does the committee wish to do?

Mr. WEAVER: Has it ever been done before? Is there any precedent?

The CHAIRMAN: I do not recall any instance where this has been asked.

Mr. FLEMING: After some initial reluctance several years ago the C.B.C. gave us information about the payments made to the press services—CP, BUP and Reuters—and this is the sort of information which is always given in the House with respect to departmental expenditure, that is to say, information on solicitors' accounts. It is routine information.

The CHAIRMAN: Shall I have to ask the opinion of the committee through a vote?

Mr. FLEMING: Is there any objection raised?

The CHAIRMAN: I am asking the committee that question. As soon as the committee gives me the "green light" I am ready to accept it.

Mr. RICHARDSON: As a member of the committee I am not averse to the information being given, but I question its usefulness and I propose to vote against it.

Mr. FLEMING: This is information which is given as a matter of routine by all government departments. We do not necessarily foresee all the factors in its usefulness. That strikes me as a matter which arises when the information is in the hands of members of the committee. It is the duty of members of the committee that they should review the financial statement.

Mr. RICHARDSON: I take my duties seriously; I regard myself as being a responsible member and I say I do not need this information to discharge my duties.

Mr. HANSELL: If we were going to vote on this I am inclined to vote for it and for this reason—that any information we ask for is not only for the benefit of this committee but for the benefit of the people of Canada so that they may know how their corporation is administered. I go so far as to say that this is a wrong principle. Why should financial information not be divulged. The taxpayer has the right to know how his money is being spent. It is true there may be a lawyer who has received \$3,000 for certain work and another lawyer may say "I would do that for \$2,000." But he has a right to know why they paid \$3,000 to one man for work which he could do for \$2,000. He knows what is paid for other things. He knows how much he pays. I see no reason for withholding any information. However the question we have now to decide is not how much they were paid, but who was employed, and I think we should have the information.

Hon. Mr. McCANN: There is a good deal of difference between fees and salaries. I think that the board have been quite justified in not giving to the committee what salaries certain people are paid, because that would put others in a position to say—for example, private stations could come along and say: "You are only making \$6,000 but if you come with us, we will give you \$8,000."

I would not object to it, because I do not want Mr. Fleming to be in a position to say that he requested certain information but could not get it. For that reason I am not objecting to it if he wants that information. They have had

it in the House with reference to salaries and fees which have been paid in other departments, and the only objection that I have ever heard in the House was not related to the amount of the fees which the legal people got, but the objection that they were members of a particular political persuasion, and nothing has ever come of that to my knowledge.

The CHAIRMAN: Is the committee ready for the vote, or is it agreed that the information be given? It is agreed!

Hon. Mr. McCANN: I am sorry to have taken a stand which was the opposite to that of a very good legal counsel.

Mr. DINSDALE: On this sheet, Mr. Chairman—

The CHAIRMAN: Excuse me, I wish to say to the committee that I understood at the last meeting that Mr. Monteith thought that the discussion on finance would be finished this morning; but I do not think we are finished yet. We have called Mr. Browne, of the Department of Transport, to be here this afternoon.

Mr. FLEMING: Is Mr. Browne bringing with him a statement, and if so could it be made available to us?

The CHAIRMAN: He has been preparing his documents to bring here.

Mr. FLEMING: They are not available yet?

The CHAIRMAN: He will probably have them with him when he comes.

Mr. FLEMING: I think we should adhere to the arrangement to hear Mr. Browne this afternoon. Some of the things Mr. Dunton has been asked for this morning will take a little while to produce anyway.

The CHAIRMAN: Are there any further questions before we adjourn?

Mr. DINSDALE: We have this sheet before us and I think it could be dealt with very briefly.

The CHAIRMAN: Very well then. Please proceed.

By Mr. Dinsdale:

Q. I presume that the rates for the production staff are hourly rates and that they are standardized?—A. Yes. These are not just hourly rates. They are rates which are arrived at on a cost accounting basis and they reflect overhead and facilities and so on.

Mr. OUIMET: All our costs are included in these rates. This is the complete cost of that department, per individual producer, per operator, per studio including heating, rent, supervision and so on.

Mr. DINSDALE: Does the studio item refer to extra studios rented, or to your own studios?

Mr. OUIMET: Just our own studios.

Mr. DINSDALE: You pay a rental charge?

Mr. OUIMET: That is included in the cost of the program. Suppose a production uses one of our largest studios; it would cost \$51 per hour for the use of that studio and its equipment; so that the total cost to the corporation for this production using 14½ hours, would be \$739.50.

Mr. DINSDALE: In connection with the design of the studio, is it the practice of the C.B.C. to design their costumes, or do they rent them where possible?

Mr. OUIMET: Whichever is the cheapest. If we can rent a costume at a lower price than we can alter an old one or make a new one, then we rent it. But if you have to use the same costume a number of times, you might as well have it, because it would cost you more to rent it; we do both.

Mr. DINSDALE: You do have your own wardrobes?

Mr. OUIMET: That is correct.

Mr. DINSDALE: And you do have some stage properties?

Mr. OUMET: Yes; in the case of stage properties we have to build our own scenery. There is no other way of dealing with our requirements, because the scenery has to be built in constant consultation with the producer, and it would be very difficult to have this work done outside of the Corporation.

Mr. DINSDALE: Under film inserts, does the C.B.C. own its own library of documentary films, or films which would be used for insert purposes in production?

Mr. OUMET: This is what we call stock shots. We have a library of stock shots which we built up ourselves from our own photographic work that we have to do anyway in connection with our newsreels and news service. In the case of film inserts of this type, I see from this table that the amount is not very large. It varies with individual programs. In certain cases you have to reproduce particular scenes on film and introduce them into the program itself, while in other cases there may be no film inserts used.

Mr. DINSDALE: Have you a large library of this kind, or do you depend on the National Film Board and on private resources?

Mr. OUMET: I would not say that we have a large library, but it is one which is growing simply because every time we have some material which can be used for that purpose it is put in the library. However, we also depend on others outside if we do not have the material.

By Mr. Holowach:

Q. As far as I am concerned, one of the most revealing breakdowns which we have received is this little white sheet which indicates the cost breakdown for a typical one hour of C.B.C. television drama. I do not know, but some of the information seems to me to be of a hair-raising kind. The little taxpayers of this country would be interested in getting this information. For example, we have a breakdown which indicates that the make-up material costs \$5, yet the labour amounts to \$67.50.

The CHAIRMAN: That is not surprising.

Mr. HOLOWACH: Carpenters material cost \$51.81, yet the labour cost \$490.98. Doesn't that seem unreasonable? I think these prices are fantastic.

Mr. OUMET: In the case of the carpenters labour and material you quoted the wrong figures, Mr. Holowach. The labour is \$490.98 while the material is \$245.48. You were quoting the material for the paint shop.

Mr. HOLOWACH: Even so, I think that is very high.

Mr. OUMET: This is a sample case of cost of material for television. We use some of the old material over and over again as much as we can. We will paint the same flats over and over again and we will use the same lumber as long as it will stand it.

Mr. HOLOWACH: Does that mean that the cost of the next television program which might come on would be less, or is this typical?

Mr. OUMET: This is a typical example of the cost. It averages out—the first one might be more expensive, but it is a typical charge for the full cost of the scenery, if it is going to be used again.

Mr. HOLOWACH: Let us take the paint shop with a labour cost of \$317.38 and a material cost of \$51.81.

Mr. OUMET: May I suggest that some of the items would be clearer to you after you visited our paint shop in Montreal.

The CHAIRMAN: That is right.

Mr. HOLOWACH: I cannot imagine somebody spending \$317.38 for labour on material which cost only \$51.81, and for a one hour program.

Mr. OUMET: This is not like painting a house.

Mr. HOLOWACH: Even so, that is pretty expensive. What type of artists do you employ?

Mr. FLEMING: Speaking of painting, may I direct your attention to the makeup item?

Mr. OUMET: There is another thing which should be stressed. This is really not the rate of the individual, but the rate of the department. This is complete with the overhead and the space, the heating, the lighting, and the amortization. This is to show our full cost. We pay our painters and our carpenters according to prevailing rates on the basis of negotiated agreements.

Mr. BOISVERT: The hourly rates are the same as for regular employees, such as carpenters?

Mr. OUMET: They are regular.

Mr. HOLOWACH: I think that it is fantastic to spend \$10,360.79 for a typical one hour television drama. I am sure you could engage the services of a top notch artist to perform for one hour at probably one-third of that cost.

Mr. OUMET: I suggest that you might see this picture better after you have become familiar with television operations.

Mr. HOLOWACH: Even so; I realize the basis of which you have spoken; but as I said before, I believe that the people of our country would be astonished if they went through this sheet and saw some of these prices.

The WITNESS: Perhaps you were not here when we made some of the comparisons. The ordinary rate for an ordinary show on the American network runs from \$25 thousand to \$35 thousand for a half-hour show. That would be for a fairly small variety show. On the other hand this \$10 thousand per hour is for any sort of real studio production; and it is much, much lower than the usual costs, as they are running in the States for network shows, or in a country like England. Broadcasters in other countries are amazed that we can do the one hour drama that we are doing at \$10 thousand, and they cannot understand how we can do it.

Mr. HOLOWACH: I appreciate your remarks, Mr. Dunton, but I do not think it is fair to draw a comparison. I consider that type of expenditure is extremely high.

The WITNESS: I think we made it clear in the opening session of the committee that this is the sort of cost that has to be envisaged in Canada. If Canada is to have any real live television production of a studio kind, we have to think in terms of a range, let us say, of \$10 thousand per hour. It then becomes a question, if you like, whether this country wants to have its own television production or not.

Mr. RICHARD (*Ottawa East*): I think that Mr. Holowach does not get the picture correctly.

Mr. HOLOWACH: I am sure that I do!

Mr. RICHARD (*Ottawa East*): It is all very well to say that you can hire an artist for so many thousands of dollars for a one hour program; but this matter involves a number of artists, and they have to perform in a studio and have a transmitter with operators and all kinds of facilities, which are charged against the production on a cost accounting basis. On the other hand, if you want to provide a free room, and a transmitter and everything and hire a couple of artists, the cost would be very low, but such a cost would not include the cost of operating that program.

Hon. Mr. McCANN: You have to take into account how many stations it goes to and how many homes it goes to. If you figure it out on a per capita basis, the cost would look very small—figure it out on the number of stations that apply to this. It is not a case of \$10,000 a station. It might go to all the C.B.C. stations eventually, and a lot of stations to which it is fed, and on that basis the cost would be very reasonable.

Mr. WEAVER: I was wondering if Mr. Holowach saw the film which was shown, "Ten Seconds to Hamlet" which showed the work required to produce a program like this?

Mr. HOLOWACH: Yes, I did.

Mr. FLEMING: Mr. Chairman, Mr. Ouimet said they were not painting the side of a house. I would like to ask him about the makeup item. I realize what you told us, Mr. Ouimet, about adding in costs other than your direct labour costs, but I would like to know what items enter into the figure of \$5 per hour for the labour allowance for the make-up artist which does not include the material?

Mr. OUIMET: It is \$5 per production hour. In other words, it is not \$5 per hour of work of the man or specialist on make-up, but it is \$5 in the average per production hour which increases the amount considerably.

Mr. FLEMING: Shall we call these people makeup artists? Are they on a salary basis?

Mr. OUIMET: They are on salary, yes, and it may take hours—perhaps not hours, but let us say an hour and a half—to make up an artist for a program.

The CHAIRMAN: And it is not long.

Mr. FLEMING: And others would take less?

Mr. BOISVERT: Would you like to know the name for yourself, Mr. Fleming?

Mr. FLEMING: On my one television appearance on "Press Conference" it did not take them very long to make me up!

Mr. HANSELL: The carpenter wages are set out at \$3.25 per hour; is that the union rate?

Mr. OUIMET: No. As we say at the bottom of the page all the rates shown are departmental rates including all items of expense generally associated with the program overhead such as lighting, heat, sundry supplies and staff. In other words, it includes the man plus his tools plus space plus the lighting of the shop and so on.

Mr. HANSELL: In other words this includes the depreciation cost of the equipment, building and everything?

Mr. OUIMET: Yes, it includes everything. When we get this cost it is the total cost of the program including even the salary of the people you see here before you.

Mr. HANSELL: You show figures for a typical one-hour program; is it a specific program?

Mr. OUIMET: Yes.

By Mr. Hansell:

Q. Which program is it, do you know?—A. I think it was agreed we would produce figures for a typical program. This is one of the regular one-hour television dramas, and for obvious reasons we prefer not to label the exact program because there is a question of sponsorship interest and so on.

Q. This is an average one?—A. Yes, taken from an actual example—the account for an actual example.

Q. You do not like to give us the actual name?—A. No, because of bargaining questions which will come up particularly next year among different advertisers and so on.

Mr. MONTEITH: I wonder if we could have somewhat in detail just exactly how the studio cost of \$51 per hour is arrived at. I know it is a question of cost accounting, but I am interested in cost accounting.

Mr. OUMET: We will have to get this information for you.

Mr. BRYSON: I wonder if we could have a little explanation concerning the nine supernumeraries who were engaged?

Mr. OUMET: These are the extras.

Mr. BRYSON: How do you engage these people; what procedure do you use?

Mr. OUMET: They are engaged according to the type of people wanted.

Mr. BOISVERT: Or needed. I will now move the adjournment.

The CHAIRMAN: If it is agreeable to the committee we will now adjourn. This afternoon Mr. Browne will be here, and I would like all the members of the committee to be present.

AFTERNOON SESSION

TUESDAY, May 17, 1955.

3.30 p.m.

The CHAIRMAN: Order, gentlemen, I see a quorum. We have with us this afternoon Mr. G. C. W. Browne, Controller of Telecommunications, of the Department of Transport. Mr. Browne is going to make a short statement and present his officials. Then he will have certain documents to circulate to the members of the committee.

Mr. G. C. W. Browne, Controller of Telecommunications, Department of Transport, called:

The WITNESS: Mr. Chairman, this statement will be much shorter than such statements used to be because I have been relieved of the function which used to be the main cause of my appearance here at previous radio committee meetings. I would like to say that I have with me Mr. C. M. Brent, Superintendent of Radio Regulations, Mr. W. B. Smith, who is senior radio regulations engineer, and Mr. F. K. Foster, who is the radio inspector who deals with the detailed work of preparation in connection with this presentation to the committee.

I suppose everyone here on the committee is familiar with the function of the division, but perhaps I should explain that the Minister of Transport, through the Department of Transport is responsible for the administration of the Radio Act which covers the licensing of all classes of broadcasting stations, sound, television, as well as the numerous other classes of stations.

I have prepared a statement for presentation to the committee. First of all, we have the "List of broadcasting stations in Canada in operation on April 1st." That list includes all classes of broadcasting stations, both sound as well as television.

I have also another statement which embodies a complete list of all changes in Canadian broadcasting stations made during the period April 30, 1953 and May 13, 1955. It is an up-to-date list and, in other words, contains a complete statement of all changes since the last radio committee met.

We decided that would be the best way to present it; so with your permission, Mr. Chairman, I would like to distribute these lists.

The CHAIRMAN: Very well.

Now, are you ready to start questioning Mr. Browne? Do you think we should take the two items in the report for 1953-54 at pages 23 and 24 under "Technical Development in Broadcasting Regulations," or have you other opinions?

Mr. FLEMING: What about these documents which Mr. Browne has submitted to us?

The CHAIRMAN: You may ask questions on them too.

By Mr. Fleming:

Q. I notice that part 1 of your first booklet lists the AM standard band broadcast stations. I am concerning myself at the moment with power. According to my calculation there are seven C.B.C. stations with a power of 50 thousand watts, while among the privately owned stations there are just two which have a power of 50 thousand watts; they are CFRB in Toronto, and CKLW in Windsor. Is that correct?—A. From my personal knowledge I believe that to be correct, Mr. Fleming.

Q. And the next strongest station in terms of power is 10,000 watts and there are a good many of those?—A. Yes.

Q. What is the policy of the department with reference to the raising of any station to a strength of 50,000 watts—either an existing station or the licensing of a new station?—A. I believe that the requirement is that an application of this type would be processed in the usual way. It would be referred to the C.B.C. for a recommendation in accordance with the statutory requirement. It would be passed on by our technical people. If it were in order, if it were within the terms of the treaty from an engineering standpoint, if a higher power were allowable on the frequency which the station was using or if the station submitted an application for transfer to another frequency on which power of a higher order could be used, it would be passed to the C.B.C. for a recommendation in the usual way.

Q. I take it then that there is no government policy against the licensing of stations to a strength of 50,000 watts provided they qualify on other grounds and there is no contravention of the treaty.—A. I do not think there is a hard and fast government policy in that regard laid down at the moment. I am just guessing, now. I could not tell you without looking up the files but I don't believe there is.

Q. If there is anything in those files to the contrary no doubt you will communicate that to us, Mr. Browne, but I think we can proceed now on the assumption that your recollection is correct. Have you had in the last two years any application by any stations to raise their strength to 50,000 watts, because I see in the second statement which you have submitted to us any changes in power have not carried any station beyond a strength of 10,000 watts.—A. I cannot recall any such applications in the last two years.

Q. Of the seven C.B.C. stations and the two private stations which have the 50,000 watt strength, how many are on channels that are rated class A under the Havana Treaty?—A. They are all on clear channels. I am not sure that they are all on class 1A channels.

Q. I am not sure at the moment what importance should be attached to any qualification of your answer in that respect, but perhaps you could check that and let us know if there are any of them which are not on class A channels under the treaty.

In this same booklet, Mr. Browne, you have listed also the television broadcasting stations, and on page 24 are given seven stations of the C.B.C.,

with their strength, and then on pages 25 and 26 we come to privately owned television stations. There seems to be quite a bit of variety in the strength of these stations measured in their wattage. Is there any particular policy in that respect or are you limited by geographical factors in reference to the strength for which you will license a station?—A. There are laid down in the agreement with the United States certain “ceilings” as to power depending upon the part of the band or bands in which the channels are situated. Then of course there are limitations which arise out of the application of the single service coverage policy, in some cases to prevent overlapping in the contours.

Q. Are those all the factors that enter into the strength of the station measured in wattage?—A. Of course, the applicants themselves decide what power they will apply for. The height of the masts enters into it—the type of antenna they propose to use, and the power of the transmitter.

Q. In all of those stations mentioned on pages 24, 25 and 26—can you tell us whether any of them applied for a greater strength than that for which they were eventually licensed?—A. The Windsor station is one example. It was necessary to restrict the power there in a certain direction in order to meet with United States requirements, that is, the Federal Communications Commission's requirements.

Q. In other words, station CKLW television was given a lower strength than it applied for because there would have been some complication over the treaty otherwise?—A. That is right.

Q. Are there any other cases here where the applicant was licensed for a lower wattage strength than he applied for?—A. I am not quite sure whether you mean a lower strength or a lower strength in any given direction.

Q. I will come to the matter of directional antennae later but I am speaking now about the wattage strength.—A. In the basic transmitter, you mean?

Q. Yes.—A. No, I don't think so.

Q. That is one case, the Windsor station?—A. Windsor and possibly Kitchener, yes. I believe it is more a question of the direction than the actual power.

Q. I was going to come to that. Where is Kitchener on that list?—A. Page 26.

Q. CKCO-TV. The third one. It applied for 16,000 and 8,450. Did it get all the wattage it applied for?—A. In terms of power yes.

Q. I ask you the same question with regard to any restrictions of any nature, whether with regard to a directional antenna or otherwise, that were imposed upon the applicant in the license issued to him?—A. There were discussions between the department's engineers and the engineers of the applicant at the time the station was applied for and it was pointed out I believe that they would have to conform with certain directional antenna requirements in order to fulfill the policy laid down.

Q. Is that the single service coverage policy you referred to?—A. Yes.

Q. Can you tell us which one of those stations was limited in that way in obedience to that policy?—A. I recall immediately Hamilton and Kitchener. I cannot recall any others at the moment without consulting the records.

Q. Let us take then the Hamilton station CHCH-TV on page 25. Will you tell us about the directional antenna that was required in pursuance of this policy of single service coverage?—A. Actually when the application was first filed I believe there was some question whether it would in its initial form have violated the single service coverage policy. This was taken up I believe with the applicants and they agreed to modify the antenna pattern which they had proposed and that modification as I recall it resulted in pushing a better signal down into the Niagara Peninsula.

Q. Did it not also have the effect of keeping the signal out of Toronto?—A. If it did that was a secondary effect. Naturally if you push more in one direction you have to take it away from another.

Q. Do you know yourself, Mr. Browne, whether or not the purpose of requiring the construction of a directional antenna on the part of station CHCH was to prevent its signal reaching Toronto?—A. I do not know that it was to prevent a signal reaching Toronto, as Toronto, but rather to prevent the violation of the single coverage policy.

Q. Is that because station CBLT was already in operation in the Toronto area—to keep the signal of station CHCH in Hamilton from impinging on the area covered by CBLT in Toronto, for which reason it was required to use this directional antenna?—A. It was to ensure that the policy laid down was being complied with.

Q. I am asking you to elaborate on that a little. Was not the application of the single service coverage policy in this instance made with a view to keeping out of the area served by the signal of station CBLT the signal of station CHCH of Hamilton?—A. In that way, yes. There was already a station in Toronto. But whether there was a station or not the effect would have been the same—you would still have to adhere to the policy laid down by the government.

Q. I do not know that I can follow you in the addition you made to your answer. I am trying to explain the situation simply, if it is simple. Correct me if I am wrong, please, Mr. Browne. I am asking if the reason for modifying this signal of CHCH-TV was that there was already in Toronto the signal of the station CBLT?—A. I cannot give you any better answer, Mr. Fleming, than to tell you that it was to prevent the degradation of government policy. It also resulted in a much better signal in the Niagara Peninsula area which was, after all, I may say, the intent of the government at that time, namely to give the greatest possible coverage to areas not being covered.

Q. I understand that Mr. Dunton told us about that service in the Niagara Peninsula, but I was going at it from the other geographical side of the picture—keeping the signal out of Toronto.

The other station you mentioned was Kitchener.. What was done there by way of obliging the applicant to limit his signal?—A. Quite a good deal of negotiation must have been carried out by the engineers on this subject, and perhaps I might ask Mr. Smith to reply to that question. Have I your permission, Mr. Chairman?

The CHAIRMAN: Yes, by all means.

Mr. W. B. SMITH, *Senior Radio Regulations Engineer*: The problem there, Mr. Chairman, Mr. Fleming, was that prior to the application of Kitchener there was in existence a station in London, and a station in Toronto, and one had been authorized for Hamilton. The interpretation we have placed on the government's single service policy is that the A contours—that is, the grade A service contours—would not overlap in any case, and that the grade B contour of a new station would overlap the A contour of an existing station to a minimum degree. Those criteria were set forth to the consultant who, as a result, brought up the directional pattern which was subsequently authorized for Kitchener, and it complied very closely with the spirit and the letter of the single service coverage policy.

Mr. FLEMING: And it was in pursuance of that policy that some modification was applied to the Kitchener station to keep its signal out of Toronto—because the strength of the station would otherwise have been adequate to send a signal into Toronto?

Mr. W. B. SMITH: No sir. Not to keep it out of Toronto but to keep it from tangling with London and Hamilton.

Mr. FLEMING: I see. One further question Mr. Smith. Have you had any indications over the past two years of any modifications in that single service coverage policy or are you applying that policy in precisely the same way now as you were before two years ago?

Mr. W. B. SMITH: Mr. Chairman, Mr. Fleming, I can only say this: that we have had a number of enquiries from applicants as to how they might render a better service and still comply with the policy, but so far we have actually applied the policy, to the best of my information, precisely as it was laid down and as we have been doing over the last two years.

Mr. FLEMING: That policy is directed to keep a signal out of any area now served by a station?

Mr. W. B. SMITH: No, sir. That is not my interpretation of it. My interpretation is that you take the available power that can be put into a station and make it cover as wide an area as possible that does not already receive primary coverage.

Mr. FLEMING: Quite, but I am going a step further, perhaps, with the effect of that policy. In applying the policy do you attempt to keep a second signal out of an area which is now served by a signal?

Mr. SMITH: We try to keep the grade A contour of the proposed new station, or a new application, from overlapping the grade A contour of an existing service and that means that only a single primary service within the grade A contour of any station would be provided in any one area.

The CHAIRMAN: Are there any other questions?

Mr. RICHARD (*Ottawa East*): I want to ask Mr. Browne or Mr. Smith, out of curiosity whether in the case of Hamilton there would be any interference from a signal on band 11 through Toronto, which is two?

Mr. SMITH: No sir, there would be no interference at all. Interference occurs only on the same channel or in cases where the signals are adjacent.

Mr. RICHARD (*Ottawa East*): What about the reception in Toronto from the Hamilton station? If the signal was not directional would it be received very well in Toronto?

Mr. SMITH: I doubt very much whether there would be much difference from the point of view of the viewer whether the signal from Hamilton was operating directionally or not. It would be possible, of course, to measure the variation in the field strength with a suitable instrument, but as I say, from the point of view of the viewer I doubt very much if he would see much difference. I know that Hamilton is received quite well in Toronto.

By Mr. Monteith:

Q. I gather the department feels that the line from Toronto to Windsor including Hamilton and Kitchener—the part of Ontario within that area—is fairly well covered at the moment with grade A coverage, and that any place in the district I have mentioned would be well provided for in this A category.—A. There is a small area according to the small scale map I am looking at, Mr. Chairman, which does not seem to receive grade A coverage. It is south of Sarnia between London and Windsor. There is a small area there which does not enjoy grade A coverage.

Q. How about the position in the northern part around Owen Sound—the area north of Kitchener and London?—A. No, there is neither grade A nor grade B coverage in Owen Sound.

Q. Has any coverage been considered for that area—or rather I should say have there been any applications?—A. There is an application now before the department for a station at Wingham.

Q. Is that the only application in that territory which you have before you for consideration at the present time?—A. That is all at the moment.

By Mr. Bryson:

Q. Up to the moment, Mr. Chairman, we have been discussing interference between one station and another, but there are many parts of Canada which are anxious to get any signal at all, and my question is this: from general observation it would appear that the antenna that they are using at CFQC in Saskatoon is a radical departure from the conventional type of antennae. Is it only a radical departure from the physical standpoint however, or is it really able to disperse television signals more effectively? I wonder if there is any information about what the field strength readings have been in connection with that?

Mr. SMITH: Mr. Chairman, I cannot answer the question precisely because I have forgotten at the moment just what type of antenna is in use at the CFQC television station in Saskatoon, but I can say that all the television antennae used at the present time produce patterns which are very nearly circular. So far as the public is concerned I doubt if they would be able to distinguish much difference. It is possible sometimes to measure a two and a half to one ratio if accurate field strength meters are used, but as I say so far as the listeners are concerned the patterns are very nearly circular.

Mr. RICHARD (*Ottawa East*): I would like to ask a question on the subject of interference. As members of the committee know the passing of an aeroplane overhead upsets the picture appearing on the television screens. Is that interference due to the aeroplane, or to something passing in front of the wave?

Mr. SMITH: The answer I can give to that question is rather a complicated one because the wave from a television station behaves very much like a ray of light. It travels a path which is very nearly a straight line. Ordinarily the wave from a television station proceeds in a straight line directly to the antennae of the receiver set. If however, an aeroplane is passing overhead, some of the radiation from the television station strikes the aeroplane and is reflected back. That wave will arrive at the receiving point either in phase or out of phase, so it will either add to or subtract from the picture according to the relative length of the path between the transmitter, the aeroplane and the receiver, and that is really what causes the flutter in the image on the screen.

Mr. RICHARD (*Ottawa East*): Thank you, Mr. Smith. I understand you were in charge of "Flying Saucers" around here for a while.

Mr. SMITH: That is correct.

Mr. RICHARD (*Ottawa East*): Do you think flying saucers are interfering with our television?

Mr. SMITH: No, I do not think you can blame them for that.

Mr. GOODE: Mr. Smith, you said in answer to Mr. Fleming's question that television from Hamilton is received very well in Toronto. That means that this private station in Hamilton is received in all of Toronto?

Mr. SMITH: That would depend largely on the type of antenna used at the receiver. If you have an elaborate antenna there will be no question about getting it. If you expect to pick it up on "rabbit ears" half of Toronto would probably get very poor service.

Mr. GOODE: But it is true according to what you told Mr. Fleming that Toronto in general is receiving two television programs.

Mr. SMITH: Two stations. I cannot vouch for the programs.

Mr. GOODE: Two stations will be the better phrase. So this policy, Mr. Smith, is not working out too well. May I bring to your notice a comparison in Vancouver? I have been trying on behalf of British Columbia to get a private station in there. I can take it now that there is one policy for Toronto and another for Vancouver. Is that right?

Mr. SMITH: I do not interpret it that way.

Mr. GOODE: In which way do you interpret it?

Mr. SMITH: You cannot put a copper curtain around a television signal. Radio waves do not behave that way. They fade and become weaker and weaker. In order to have some common yardstick by which to measure the strength of these transmissions we have set certain signal levels which we call grade A and grade B. In general a grade A service is one which can be received with a minimum of antenna; a grade B service requires a more elaborate antenna, and a fringe area service requires a first-class antenna installation in order to be received with any success. All we are interested in under the single service coverage policy is in seeing that grade A services are not duplicated.

Mr. MONTEITH: Is there any figure in miles which relates to these grades you have mentioned?

Mr. SMITH: The distance to the contours is a function of the transmitter power times the antenna gain; it is also a function of the antenna height, so that installations having the same nominal power would not necessarily have the same coverage contours unless their antennae were the same height. Then again reception depends on the intervening topography. If there are a number of high hills they cast shadows, whereas if there is a wide open space the contours are further from the transmitter.

Mr. FLEMING: May I bring the committee back to the interesting question of the flying saucers?

The CHAIRMAN: I remind you that we are discussing television broadcasting; however, I do not bar the question.

Mr. FLEMING: How long did you carry on this operation before you decided that this was causing no interference with television or radio reception?

Mr. SMITH: Well, the operation was not carried out for that purpose. It was intended to gain any knowledge that might be available to us; it was not necessarily for television or radio.

Mr. FLEMING: I appreciate that, but when was it that you decided that it did not interfere with television or with radio broadcasting?

Mr. SMITH: We operated a station for making certain measurements out at Shirley's Bay from August of 1953 to about the same time in 1954, and on the basis of our measurements, which were nil, we came to the conclusion we had very little data of any nature to go on.

Mr. FLEMING: When was the decision taken to close that station, and why?

Mr. SMITH: We were not getting anywhere with it. In the beginning we thought we would run it for a year, but we got nowhere with it, so we closed it down.

Mr. FLEMING: The closing down came in the fall of 1954?

Mr. SMITH: That is right.

Mr. GOODE: When you or someone established a policy for the Hamilton station, was it known by your department that the station would be received in Toronto? You have told Mr. Fleming that a change in the antenna in this station was proposed so that the Niagara Peninsula would get more power. Did you know when you created that station that Toronto would receive the Hamilton station?

Mr. SMITH: I think the only answer I can give to that question is that we were aware of the grade A and grade B contours which the Toronto station was establishing, and it was necessary for the Hamilton applicant to direct the power of the Hamilton station in such a direction as to provide additional rather than duplicate service. So, after fairly lengthy discussions with their consultants, the present pattern was worked out which did meet the necessary criteria.

Mr. GOODE: That being true, I think this committee can take it that you now thought some of this power from Hamilton was going to be received in the Toronto area. Was the licence which was granted to Hamilton first presented to the C.B.C.?

Mr. SMITH: No sir. The applications are always filed with the Department of Transport.

Mr. GOODE: It says here, and perhaps I should direct this question to Mr. Browne, that applications—I will get it in a moment—that applications are usually submitted to the corporation before they are granted. I think if you will refer to Mr. Browne's evidence in 1953 you will find that is right. He mentioned there that eight applications for television stations were referred to the C.B.C., and at the time Hamilton was referred to.

Mr. SMITH: Hamilton was referred to the C.B.C.

Mr. GOODE: So, with your technical advice, you would know that some of the Hamilton programs would be received in the Toronto area.

Mr. SMITH: I think that would be unavoidable.

Mr. FLEMING: What applications for licenses for TV are now pending, and on what dates were they received by the department?

The CHAIRMAN: Do you want all the applications, Mr. Fleming?

Mr. FLEMING: Yes, all the pending ones.

The WITNESS: I think it would be better, Mr. Chairman, if we were to prepare a list and bring it to the next meeting if that would satisfy Mr. Fleming. The list would state the position with regard to all these applications.

Mr. FLEMING: Thank you; that will be quite satisfactory; and will you include in it the name of the applicant, the area, and the strength of the station applied for, the date of the application, and what disposition if any has been made of it, whether it has been referred to the C.B.C. or held pending, or not yet referred for any reason, or whatever the reason may be for the application being in whatever position it is in at this time.

By Mr. Monteith:

Q. Do you ever receive any inquiries which you do not consider as applications as at that moment? Do you get inquiries about territories being opened and that sort of thing which might eventually result in an application, but which do not result in such up to a certain stage?—A. Yes, we do. We receive inquiries of that type from time to time from various areas.

By Mr. Dinsdale:

Q. In regard to television applications, do you prefer to have the same party operating in the radio field to move into television? For example, if there were two applications for television privileges before the department, one from a party already operating in the radio field, would the fact that they were already in the radio field give them any preference over a newcomer?—A. The department has no preference in that regard. We take the applications as they come in, in accordance with the statutory requirements and refer them to the C.B.C. for recommendation if they are in order from a technical standpoint.

By Mr. Knight:

Q. Does your department grant licenses to the C.B.C. itself for television stations?—A. The applications for licenses for C.B.C. stations are forwarded to the department with the recommendation of the C.B.C. in the same way as are private station applications.

Q. I asked Mr. Dunton the same question the other day, about the present television set-up in Newfoundland. My understanding was that the C.B.C. had made an application to open a station on that island. Is that correct?—A. I do not think that the department received an application for a station in Newfoundland from the C.B.C.

Q. You are answering, "I do not think", Mr. Browne. I do not want to be too critical.—A. I can have that checked for you.

Q. Would you let us know?—A. I think the recommendation which the department received from the C.B.C. was to the effect that if the government did not authorize the C.B.C. itself to establish a station at Saint John's, they recommended that the license be granted to the present licensee.

Q. When you say "the government" you mean the Dominion government, the Government of Canada?—A. The Dominion of Canada, yes; because the granting of a licence for a new station involves the issuance of an order-in-council.

Q. You say: "if the government did not wish to grant a licence to the C.B.C.", then this other alternative should be followed?—A. Yes.

Q. What I am trying to get at is this: do you represent a government department which would grant this licence, or was this the government's decision as such?—A. It would be a government decision, sir.

Q. The government's decision was that the C.B.C. should not have a licence in Newfoundland, and under those circumstances the C.B.C. recommended that the licence should be given, in that case, to the company which at present holds the CJON licence, which previously operated a radio station?—A. I believe the recommendation of the C.B.C. suggested two alternatives, either that the C.B.C. station—or in the event that the government did not approve the granting of a licence to the C.B.C., then they recommended that a licence be issued to the Newfoundland Broadcasting Company Limited.

Q. I am not finding any fault with the fact that the licence was granted to this particular company, which I am sure is doing a good job and all that sort of thing, as many of the private stations are; but I ask if it is a matter of fact and record that the government recommended that the C.B.C. should not be licensed on that island?—A. If they did, we do not know anything about it. We simply had a directive to issue the licence to the Newfoundland Broadcasting Company Limited.

Q. Could you suggest any reason why the government refused that particular application?

The CHAIRMAN: I do not think you should ask Mr. Browne to discuss the policy of the government.

Mr. FLEMING: He cannot discuss its merits, but he can discuss its application.

The CHAIRMAN: He will come to the merits in the discussion of the application.

By Mr. Fleming:

Q. There was no application.

Mr. KNIGHT: Who had the decision in the matter? That is what I was trying to find out. If it was a government decision, then this is not the place to talk about it.

I have a letter from the owner of the present station. He says this:

The reason the C.B.C. did not come in here was because the government did not see that it was justified in spending the money to put in a C.B.C. television station, when a private station was willing to put in the same service, at no cost to the taxpayer . . .

Where would this gentleman get that information? We have not had it here, and Mr. Browne does not have it. I suppose Mr. Browne cannot be responsible for that. Of course, if you follow that argument to its logical conclusion we would not have any public television at all, Mr. Dinsdale. It says that the reason the C.B.C. did not come in here was because the government did not see that it was justified in spending the money to put in a C.B.C. television station.

And this gentleman says, further down, that we—meaning his own company and largely himself, I take it—we put in the only application; or, he put it in other terms, there was no other application.

All I wanted to get from you was this: if you had had any application from the C.B.C. as such? Mr. Dunton said that they applied, and Mr. Dunton said that he was disappointed; and Mr. Dunton was not able to give me the reasons why the government did not grant the application. I asked him if the reasons which the government gave him were good and sufficient, and he laughed it off, as if he was not qualified to answer the question.

Mr. RICHARD (*Ottawa East*): What Mr. Dunton had in mind was probably that the C.B.C. have to ask the government for approval before they established a station. If the Corporation made a direct application to the government requesting permission to erect a station at Saint John's and were told that they would not, then the Corporation would not make a formal application to the Department of Transport. That is how I see it.

Mr. KNIGHT: I am getting somewhere now. I am being told now that they were told that they could not. Is that correct?

Mr. RICHARD (*Ottawa East*): That is what I would understand from it.

Mr. KNIGHT: You understand that the C.B.C. was told by the government that they could not make an application. Is that official?

Mr. RICHARD (*Ottawa East*): I am trying to find out, because Mr. Browne said there was no other application.

Mr. KNIGHT: I do not want to re-open this matter.

Mr. RICHARD (*Ottawa East*): I think you ought to ask Mr. Dunton.

Mr. KNIGHT: I did attempt to get the information from Mr. Dunton. Now I am trying to get it from the Department of Transport and I do not seem to have any luck anywhere.

Mr. FLEMING: You are probably having more luck with Mr. Richard.

Mr. KNIGHT: Mr. Richard has some of the information, and the owner of the station has some of the information, but nobody else has any.

Mr. RICHARDSON: What is the question which Mr. Knight wants to have answered? What is the question at the moment?

Mr. KNIGHT: I have been putting them, if you had been here this afternoon.

Mr. RICHARDSON: I have been here!

Mr. KNIGHT: Did or did not the C.B.C. apply for a television licence in Newfoundland for Saint John's. This is the question to which I cannot get an answer. Mr. Richard informs me that they were told they could not.

Mr. RICHARD (*Ottawa East*): I did not say that. I said that in my understanding of the matter the C.B.C. requested the government for permission to establish; but that is different from an application to the Department of Transport for a licence. That is a different position.

Mr. KNIGHT: I take it that the C.B.C. did apply for a licence from the Department of Transport?

The WITNESS: If you are speaking of applications in the form in which they are received from private applicants, I would say that the answer would be in the negative.

Mr. FLEMING: We were told that the C.B.C. does not do that.

By Mr. Knight:

Q. Has the C.B.C. on other occasions asked for a licence of any sort from the Department of Transport either for a television or for a radio station?—A. On other occasions?

Q. Outside of this occasion.—A. That is, for the stations which are in existence?

Q. I mean: when the C.B.C. wants to open a television station somewhere, does it apply to the Department of Transport for such a licence?—A. I believe that applications are filed with all the necessary engineering and technical data.

Q. If the C.B.C. does apply to the Department of Transport in such a case, has any such application ever been refused by the licensing department of the government, namely the Department of Transport?—A. I do not think—no, I am quite sure that no application made in the usual form, that is, with an engineering brief and so on, on which the application is based—when made by the C.B.C. has been refused.

Q. You can see the reason for my curiosity in regard to this one in particular; if in fact there was an application from the C.B.C., and if in fact it was turned down, you can see the reason for my curiosity in wondering for what reason it was turned down.

Mr. RICHARD (*Ottawa East*): Mr. Browne just said there was no application. He answered in the negative.

Mr. FLEMING: Mr. Dunton said that the C.B.C. does not make application in the ordinary way, and that they have the right to ask the Department of Transport at any time for a licence. They do not fill out an application in the same way that a private applicant does.

Mr. KNIGHT: I have the record before me. I do not know if it has been printed yet or not; but I call upon my colleagues to witness that when I asked Mr. Dunton if the C.B.C. had applied to open a publicly owned television station in Newfoundland that he said "Yes".

Then I asked him, when such an application was turned down, what were the reasons given, and he said: "Yes, Mr. Knight, the usual reasons were given". And then I said: "Were the reasons for your being turned down in this particular instance satisfactory to yourself?" That may not be a verbatim account, but it was essentially the conversation between myself and Mr. Dunton. Someone can correct me if it is not.

Mr. FLEMING: I think you are quite correct.

Mr. KNIGHT: Here is a bit of mystery and I cannot get to the bottom of it.

By Mr. Goode:

Q. I wonder if I could ask Mr. Smith or Mr. Browne what would be the position of this directional signal on Vancouver island if a station was set up there? I am interested in directional signals at the moment, or directional antennae. What would be the position on Vancouver island if a station was established there? How would you confine it?—A. At what point?

Q. Let us say at Victoria, because that is where you sent the applications. May I remind you that in 1953 in answer to me you said that you had sent out sixty applications for television broadcasting station licences, and I asked you how many went to British Columbia, and you said nine, and included in that

nine was one to William Rae Junior, CKNW, and one to the Vancouver *Sun*, Victoria. How can we go along with that policy if you are going to establish a television station on Vancouver island? Are you going to allow television to go into Vancouver with a second station, or are you going to confine it to Vancouver island? I was referring to page 460 of the 1953 report.

Mr. SMITH: Mr. Browne requested that I attempt to answer here. It is very difficult to give an answer to a question posed in that manner because we are used to dealing with actual contours which are proposed for station coverage, and unless we can see what the applicants actually propose, it is very difficult to say whether or not it is compatible with our single service coverage policy.

I have before me a small map on which is plotted the grade A and grade B contours of Vancouver. Some parts of Vancouver island including the city of Victoria are not covered by grade A service.

To establish a station at Victoria which would provide television service to Victoria would mean almost certainly—unless the station was extremely low powered—an overlapping between this grade A and the grade A contour established by CBUT. The same would apply to Nanaimo, which is actually within the grade A contour of CBUT.

Mr. GOODE: You know that Victoria receives Vancouver very well; yet in 1953 the department sent out two applications to Victoria. I am trying to establish where this policy starts in one part of the country and where it finishes in another. Here we have a decision of the department involving applications from Vancouver island which are going to overlap into the city of Vancouver, and yet we refuse, on the lower mainland, a private television station apart from Vancouver entirely.

Mr. SMITH: When anyone writes in to this division and asks for an application form, or intimates that he wishes to apply, unless we have very good reason to believe that he is intending to file an application in an area which is already covered, we certainly send him an application form and full information. Where we think it is a borderline case, we warn them that before making any commitments, they should have their consultants discuss the matter with us with regard to contours.

By Mr. Goode:

Q. I wonder if I might ask Mr. Browne at a future meeting if he will look up the copies of these applications for these two Vancouver stations and let the committee have the correspondence which was attached to those applications when they went to Vancouver island.—A. I would be glad to do that. I believe that at the time—I think the answer is that we perhaps considered at the time they might be borderline cases, and that the applicant might be able to come up with some kind of proposition which would satisfy the conditions laid down. I might say that the Vancouver station of the C.B.C. was not in operation at that time, and that there were a lot of “question marks”.

Q. I realize that. They had intimated at the time that they made application that they were going to establish in Vancouver in a very short time. I have the questions and the answers to them from Mr. Dunton, who gave me all the details. I think they were in the process of putting up an antenna on Seymour mountain at that time, but I am not sure.

By Mr. Fleming:

Q. With respect to your proposed station at Saint John's, Newfoundland, has there been any case in which the Department of Transport has not given effect to the recommendation of the C.B.C. with respect to licensing?—A. I cannot recall any.

Q. Does your answer apply both to television and to sound broadcasting?—
A. Yes.

Q. May we infer then that the treatment accorded to the recommendation of the C.B.C. with respect to the proposed station at St. John's, Newfoundland is unique?—A. Well, that is one way of putting it, I suppose.

Q. It is the correct way of putting it, is it not?—A. Yes.

The CHAIRMAN: If you want to clear up the question of St. John's, there is a question which was put by Mr. Knight on page 290—the question which Mr. Knight put to Mr. Dunton. And at page 318 there is a question put by Mr. Dinsdale.

Mr. KNIGHT: I don't want to put my statement back on the record.

The CHAIRMAN: To keep the record clear—there is no objection.

Mr. KNIGHT: I wanted it to be clear—the reason why I insisted on asking Mr. Browne this. I asked Mr. Dunton this:

Q. Mr. Dunton, when an application for an establishment of a television station comes in and when this application is refused I presume the applicant is given reasons why his application is turned down?—A. We give reasons for our recommendations.

Q. I was wondering. When you as the C.B.C. applied to have a publicly-owned station set up in Newfoundland what were the reasons which were given to you for the refusal of permission to do so?—A. I think you are aware that all applications for new stations are dealt with by the government as a whole—by the cabinet. Under the Act they have to be. I think the reasons given were not very full.

Q. That is all you want to say.

Mr. FLEMING: A very diplomatic answer.

The WITNESS: Council has full power to do these things, and it decided against the application.

The point is that there was an application made.

The CHAIRMAN: There was a question put by Mr. Dinsdale at page 318. I will read it.

Q. We had a discussion this morning on the St. John's situation and I was wondering what technical aspects would determine a decision in favour of a private station as opposed to public broadcasting?—

A. We do not know. We make a recommendation and it goes on to the licensing authorities and they make the decision.

Mr. KNIGHT: I was just wondering why it was the policy of the government to cut its own child's throat. Mr. Browne will not be able to answer that one.

By Mr. Fleming:

Q. Mr. Browne, you have described the present policy of the government with reference to the licensing of television applications as "the single service coverage policy." Are you operating under some written instructions or definition of that policy?—A. Instructions given to us were to develop the policy in accordance with the statement made in the House by the Hon. Minister.

Q. That statement is the one which was made in the House by Dr. McCann about two years ago, or a little over two years ago, is it not?—A. And I believe it was reaffirmed by the then Minister of Transport, Mr. Chevrier.

Hon. Mr. McCANN: There never was any commitment to establish a C.B.C. station in Newfoundland. The policy was for six stations—one in Vancouver, one in Prairie provinces—that is now in Winnipeg—in Toronto, Ottawa, Montreal and Halifax. And Halifax was chosen for the one in the Maritimes.

There never was any commitment to establish a C.B.C. station in Newfoundland and while it may be true that the C.B.C. made an application for that, we had not been committed to it.

By Mr. Fleming:

Q. I just wanted to get at the basis of the policy. This is a statement which was made by the minister in the House that you have been following?—A. That is correct.

Q. And that is the complete statement to which you are adhering in considering these applications for television licenses?—A. That is right. The statement made by the minister on December 8, 1952. There was a further statement by the Minister of Transport I believe in the following March.

Q. That was not so much a statement as a speech in a debate, was it not? He did not go into the question of a statement of policy.—A. I believe it had to do with the setting up of the committee.

Q. It was his speech in the debate. As the statement of government policy. You are applying the one by Dr. McCann in the House on December 8th, 1952?—A. Yes.

Q. What policy are you applying with regard to the licensing of applications for sound broadcasting stations?—A. There has been no change in the policy which we have followed for the past years.

Q. So that when you receive an application for a sound broadcasting license it is not regarded as an adverse factor if there are other sound broadcasting stations in the same area as that proposed to be served by the applicant?—A. We do not enter into that.

Q. It is a matter of complete indifference to you in dealing with the case of an application for a sound broadcasting licence?—A. We simply refer the application to the C.B.C. for a recommendation.

Q. I know that, but I am dealing with this point: it is a matter of indifference to you, as a matter of policy, whether there are one or more sound broadcasting stations already giving service in the same area?—A. Yes.

Q. Does your department make any attempt at all to study or record the areas of Canada—presumably the most southerly parts—which now receive signals from United States television stations?—A. Not intentionally. No. In the course of our work we know what are the available signals in areas which our inspectors visit in connection with their investigations into interference, but they have no special mandate to check on the availability or otherwise of signals from the United States.

Q. I take it then you have no record in your department, no information systematically compiled as to areas in Canada now served by signals from United States television stations?—A. Not systematically compiled, but there are indirect references which we may have in our reports, the reports we receive from our staff.

Q. I see. Do you, for instance know what signals from United States television stations are going into the Hamilton area?—A. I am sure that if we ask our field inspector in Hamilton for a report we could have that information, but we have not asked him to prepare any such report.

Q. Similarly, would you not have on record anywhere in your department information as to what United States television stations are transmitting their signals into the lower Vancouver mainland, for example?—A. Generally we can also get that information if we ask for it.

Q. You would have to ask your local inspector to find out?—A. Yes. Our organization is considerably decentralized.

Hon. Mr. McCANN: Cannot you get that information through the C.B.C.?

The WITNESS: I am sure we could. I was merely answering for my own division.

By Mr. Fleming:

Q. I take it then that the answer is generally: there is not in your department information to which you can turn as to the reception of signals from American television stations. If that information were sought you would have to go either to the C.B.C. or to your local inspectors in order to obtain it?—A. There is another source, of course, and that is the field patterns—the contours of the United States stations which are furnished to us by the F.C.C. and which we distribute to the consulting engineers who quite properly need them to make use of them in the preparation of their briefs; they require that information in preparing submissions in connection with applications. We can obtain the information from those contours.

Q. I was waiting for you to say something about that, Mr. Browne. Do you keep that information on record here in Ottawa?—A. Yes, we do.

Q. Have you at any time prepared a map or a series of maps indicating the areas of Canada which are now receiving signals from United States television stations?—A. I am sure we have not prepared any comprehensive maps. We merely refer to these as we need to from time to time. The information could be compiled in that way if we wanted to do so.

Q. Is your material in such shape that that would be a very formidable task, or is it in such shape that it could be prepared relatively simply and quickly?—A. I think it would take a little while but it could be done.

Q. Let us put it on this basis—let us take those areas in which the C.B.C. in pursuance of government policy as described by Dr. McCann in the House has established television transmitting stations. Are you in a position to tell us what United States television stations are sending their signals into the area served by those C.B.C. television stations?—A. Mr. Smith informs me it would take 30 man-hours for each United States station.

Q. It is obviously not practical then to ask your department for this information.—A. No. Not in a very limited time.

Q. When applications are dealt with for such areas or are received, if they ever are received, are you going to take into account the fact that such areas are also receiving signals from American stations across the border? Has that ever entered into the calculations of the government with regard to any applications, whether an area is already receiving television signals from an American station?—A. All these contour maps are submitted to us. We check them to ensure that there is no violation of the United States-Canada agreement.

Q. I take it that these maps are not submitted in connection with any Canadian applications?—A. No, they are submitted to us in accordance with the terms of the agreement.

Q. And they come, in that case, from the station concerned or the communications Commission in the United States?—A. They come from the Federal Communications Commission. We do not deal with the individual stations.

Q. I just want to clear this point up. I think a situation of this kind lends itself to a clear statement. In connection with any application for a license in Canada for a television station, it is no part of the enquiry made or of the factors which determine a decision on an application, whether the area proposed to be served is or is not already receiving a signal from any United States television station?—A. No.

Q. It is not one of the things that enters into the position at all?—A. No, so long as there is compliance on the part of the United States with the terms of the agreement.

By Mr. Boisvert:

Q. Mr. Browne, I would like to know with respect to sound broadcasting how many private stations were in operation on the 1st of January 1953 and

on the 1st of January 1954 and on the 1st of May 1955? If you have not this information with you would you be kind enough to have it ready for our next meeting?—A. We shall do that.

Q. I would like to know also if there were any changes in ownership with respect to private sound broadcasting stations since 1953?—A. They are embodied in the second statement which I presented to the committee. Under section two. You will notice that in section two the changes are underlined.

By Mr. Goode:

Q. I wonder if I may ask Mr. Browne, with reference to the situation in British Columbia, whether there has been any completed application for a private television station in that area?—A. We have not received any.

Q. You said in 1953 you had an application from CKNW. To be fair you did say you were not sure whether it was complete or not. Has that ever been completed or was it complete at that time, do you know?—A. Do you mean, Mr. Goode, the license applied for in respect of Edmonton or the Vancouver area?

Q. Edmonton will have to look after itself. I try as best I can to represent the people of British Columbia, and that is what I am concerned about at the moment.—A. He had sent in an application for his own area. It was returned to him because it was in contravention . . . In fact I think he asked that it should be returned to him. He wrote from California asking that the application should be returned.

Q. Has there ever been an application or any enquiries regarding an application from the Vancouver *Sun*?—A. They inquired by letter regarding the possibility of a license for Nanaimo.

Q. How long ago was it?—A. Quite recently.

Hon. Mr. McCANN: On a question of privilege. This is not public business at all. We are attempting to disclose private business between an applicant and the Department of Transport. I must take issue.

Mr. GOODE: Mr. Chairman, it is in the 1953 report.

Hon. Mr. McCANN: I don't care whether it is or not. It is private business. A man has a right to make an application if he wants to and it does not fall within the realm of this committee to disclose his private business to the country.

Mr. GOODE: Mr. Chairman, I must say that we had different rules in 1953 from what we have at the present time, then, and I have the evidence in front of me. Am I going to be confined to one set of rules in 1955 although the committee in 1953 was guided by a different set of rules?

Mr. RICHARD (*Ottawa East*): Will you repeat your question again Mr. Goode?

Mr. GOODE: I asked whether there had been an application from the Vancouver *Sun* for a television license.

Mr. RICHARD (*Ottawa East*): In 1953?

Mr. GOODE: No. At any time. I think you should rule on that question, Mr. Chairman, but before you do I would point out that in 1953 such information was given. Not only that, but the department said they had sent applications to these people. I am asking now whether an application was made by the Vancouver *Sun* and the reason I ask is because an application was sent out to them by the department. I want to know whether that application was filled in and sent back to the department or not. What happened to that application? Did it go back to the department filled in, or not? If I am out of order I wish you would let me know, Mr. Chairman.

Hon. Mr. McCANN: Anybody can get a form if they want to.

Mr. GOODE: That is not the point. The department volunteered information to me in 1953 . . .

The CHAIRMAN: Who gave the information?

Mr. GOODE: Mr. Browne. On page 460 of the committee reports of 1953, and he volunteered the information that they sent out 60 applications with regard to a television broadcasting station licence, to people representing some 35 different areas. That is what Mr. Browne said. And then I said, "How many went to British Columbia?" He said, "Nine," and it was in the course of further questioning that he said where the nine went to, and one of them went to the *Vancouver Sun*, and now I want to know what happened to that application.

Mr. RICHARD (*Ottawa East*): That is a different question now.

The CHAIRMAN: It is.

Mr. GOODE: But I want to know what happened to the application.

Mr. RICHARD (*Ottawa East*): But you cannot support your contention now about the answer given by Mr. Browne. He gave the names of those to whom the applications were sent but you did not ask for the application. That is a different question now.

Mr. GOODE: All I want to know is if the application was received from the *Vancouver Sun*.

The CHAIRMAN: Mr. Browne did not give the names of the people to whom the applications were sent. You did not ask if the applications were sent in by the people who received the forms.

Mr. GOODE: Let me repeat my question. An application was sent to the *Vancouver Sun*. Was that application ever received by your department back from the *Vancouver Sun*? May I ask that?

Mr. RICHARD (*Ottawa East*): That is not the same question.

Mr. FLEMING: It is leading up to the same question. I think it is an interesting question of privilege. The Hon. Mr. McCann says that he is all for protecting the rights of private taxpayers. Would he be prepared to disclose that information to a provincial premier, for instance?

The WITNESS: We have received no application from the *Vancouver Sun*.

Mr. GOODE: That is all right.

The CHAIRMAN: Now, Mr. Holowach.

By Mr. Holowach:

Q. I would like to ask Mr. Browne this question in order to establish whether or not there is a variation in the policy with respect to the issuance of licenses. What is the difference between a commercial radio station and a non-commercial radio station? Is there a difference?—A. There is no such thing as a non-commercial radio station.

Q. You are saying that there is no such thing?—A. There is no such thing as a non-commercial broadcasting station in the terminology laid down in the legislation.

Q. Is there a difference in the terminology to which you refer?—A. There are private commercial broadcasting stations and private commercial broadcasting licences, and none others.

Q. Take for example radio station CKUA operating in the city of Edmonton. How would you classify that radio station?—A. It is a private commercial broadcasting station, (educational).

Hon. Mr. McCANN: There are a number of them. A university might have one. They would take no advertising; that is a private non-commercial station. Take for example Queen's University. It has one in its science department. They do not take advertising in order to get in revenue.

Mr. HOLOWACH: I see. In other words, CKUA in Edmonton would be a non-commercial private radio station.

The WITNESS: It is a private commercial broadcasting station, and it says in parenthesis "educational".

Mr. KNIGHT: Did you say commercial or non-commercial?

Mr. HOLOWACH: There seems to be a conflict in interpreting. I think the minister said it was non-commercial.

The WITNESS: It is non-commercial, but in so far as we are concerned it is classified as a private commercial broadcasting station (educational), and there is a nominal fee for the licence for that station.

Hon. Mr. McCANN: They do not pay the same licence fee.

By Mr. Holowach:

Q. Is there a difference in the issuing of licenses to such a radio station so far as your department is concerned?—A. There is no difference of policy in so far as the department is concerned. If a university applies for such a licence, the application is referred in the usual way, in accordance with the statute, to the C.B.C.

Mr. HANSELL: There seems to be a bit of confusion in respect to this commercial and non-commercial business. It occurs to me that legally all stations are private commercial stations; but in practice they are non-commercial; some of them are non-commercial; they are private commercial stations, but they cannot carry on any advertising or programs with a sponsor.

Hon. Mr. McCANN: Usually they say that they do not want to; that this is for educational purposes, and because it is for educational purposes they do not have to pay the fee which is equivalent to the fee they would have to pay if they were taking commercial work.

Mr. HANSELL: Yet they are called private commercial stations.

The WITNESS: Perhaps I might read the regulations. This is from the General Radio Regulations, Part I, which are made by the Governor-in-Council under the Radio Act. It says that "the annual licence fee to be paid in respect to a private commercial broadcasting station operated at an educational institution on a non-commercial basis shall be \$50."

By Mr. Dinsdale:

Q. How does that compare with a commercial licence fee? What is the commercial licence fee for a radio station?—A. Commercial licence fees are divided into seven categories which are based on the annual gross revenue. From category A to category G they run from \$100 in category A to \$6,000 in category G.

Q. The same principle applies to television stations as well, I suppose?—A. Yes, they are all private commercial broadcasting stations whether they are sound or visual.

Q. I imagine there is a difference between the television rates and the sound broadcasting rates?—A. There is no difference.

By Mr. Monteith:

Q. They are all based on dollar volume?—A. They are all based on annual gross revenue.

Q. A television station with \$100 thousand would pay the same licence fee as a sound station with \$100 thousand?—A. That is correct.

Mr. BRYSON: I was looking at the radio station to which the minister referred, at Queen's University. I could not understand anybody operating with 100 watts. That is just a peanut whistle. To what category would they fall into? It is a low-powered experimental station.

Hon. Mr. McCANN: It is mostly for teaching purposes. There is a group of buildings at the university and certain things are transmitted from one part to the other parts.

Mr. BRYSON: Waves would be on a ground frequency.

Mr. DINSDALE: There might be a P.A. system.

The WITNESS: In some places they do it by a P.A. system. In other places it is used in an educational way and they do some technical training.

Hon. Mr. McCANN: I have seen it operate at Queen's University and from the station there would be a lecture from a public person coming from where the transmitter was, to the convocation hall where there would be 2,000 or 3,000 people. They have sufficient power to broadcast educational matters to the city, but it would not reach outside the confines of the city.

The WITNESS: I do know that in the University of New Brunswick they teach physics and radio engineering there and use the station equipment for that purpose. When the Queen's University station was opened they used it to broadcast football games and the like.

Mr. HOLOWACH: I did not have a chance to complete my questioning. I am interested in this radio station CKUA in Edmonton. I understand several years ago this radio station made application for a commercial licence in order to carry advertised programs. Have you any information respecting that, Mr. Browne?

The WITNESS: I recall it, but I cannot recall the detailed disposition of the case at the time. I believe it was dealt with in the usual way. As far as I can recall it was turned down; the application was turned down.

Mr. HOLOWACH: Could you tell us what process is involved for such a station to be granted a commercial licence in order to carry on these advertised programs?

The WITNESS: I believe it would be referred to the C.B.C. in the usual way, for a recommendation.

By Mr. Hansell:

Q. Following that, is it not true that since that station was refused a commercial licence, for commercial purposes that other stations in Edmonton had been granted a licence?—A. There appear to have been 2 additional licences granted since then, one of which was for a French language station.

Q. What are those two; what are their call letters?—A. CHED and CHFA.

Q. If CKUA was refused a commercial licence for commercial purposes on the grounds that Edmonton was adequately served—and I have a faint recollection in my mind that that was the reason—

Hon. Mr. McCANN: How long ago was that?

Mr. HANSELL: It would be at least the last radio committee, if not the one before that.

Hon. Mr. McCANN: Do you realize that Edmonton is growing at the rate of 30,000 a year?

Mr. HANSELL: That is why I do not understand why the new stations were granted licences but CKUA has not been granted a licence. I just make that comment that there must be some reason. Perhaps I should not press for the reason.

Mr. MONTEITH: Why not?

Mr. HANSELL: Perhaps Mr. Browne can give me the reasons. This would be a C.B.C. matter, but perhaps we are in the right church but the wrong pew.

The WITNESS: All I can say is that the licences were issued on the basis of the orders in council which were passed.

Mr. HANSELL: I am talking about CHED. I can understand about CHFA because that is a French station.

Mr. DINSDALE: I have a question on section 9 of the white paper, "Stations suspending operations during the period April 30, 1953, to May 13, 1955." I am interested in knowing whether these stations discontinued operations of their own volition or whether it was a result of violation of regulations or something of that kind?

The WITNESS: There was no violation of regulations. I believe in all cases the stations discontinued of their own volition.

Mr. FLEMING: Have you ever had to terminate the licence of a station as a disciplinary measure say in recent years?

The WITNESS: In recent years I believe there was one. There was one station which was told to either bring its equipment into line with the department's technical requirements or close down, and the station elected to close down.

Mr. FLEMING: How long ago was that?

The WITNESS: About four or five years ago, Mr. Fleming.

By Mr. Dinsdale:

Q. I notice that all the stations concerned in this report are frequency modulation stations. Does that mean they merely discontinued FM operations and are carrying on with AM?—A. I believe one or two of them were operating solely as FM stations and did not have any standard band stations, but they all discontinued operations because they found they did not have a sufficient listening audience.

Q. We had some discussion on the prospects of frequency modulation in Canada. As a technical man, Mr. Browne, perhaps you might add something at this point. Apparently there is a trend away from FM broadcasting rather than towards increasing FM broadcasting?—A. There has been a trend away from it both in Canada and the United States, Mr. Dinsdale. I believe it is partly due to the impact of television, perhaps, and partly due to the lack of interest in that particular band. There were not sufficient people buying receivers which embodied that band in addition to the other. In many cases it meant buying a separate receiver for FM.

Hon. Mr. McCANN: Is it not true that part of it is due to the technological improvements in AM stations?

The WITNESS: Yes, and the increases in power would, I believe, have improved the situation generally in the larger areas.

By Mr. Richardson:

Q. What policy, if any, does the department have in respect to the licensing of universities in Canada?—A. Well, there is no special departmental policy governing the licensing of universities. Their applications when received are accorded the same treatment as the commercial ones.

By Mr. Weaver:

Q. Mr. Chairman, I wonder if Mr. Browne could furnish the committee with sample application forms for licences.—A. For which type of licences?

Q. For both sound broadcasting and television.—A. We will be glad to do that. Do you wish separate copies, or would it be in order to hand them to the secretary to embody as an appendix to the minutes of the meeting?

The CHAIRMAN: That would be all right. Is it agreed?

Agreed.

By Mr. Dinsdale:

Q. Would you say, Mr. Browne, that the chief advantage of FM broadcasting is to make available more channels without saturation?—A. It does in a way, but there are two main advantages which were pointed out at the time FM was introduced. One was the higher fidelity obtainable from FM receivers, and the other was the elimination of noise. Unfortunately many of the FM receivers which have been developed did not take advantage of the first feature by employing a better type of construction. The manufacturers produced them in very small boxes and there was a resultant loss of the advantage of the high fidelity feature. However, the other advantage of the much greater freedom from interference remains. There is not complete freedom in some cases, however.

Q. And the other advantage of obtaining more channels, is that of any importance?—A. I do not think it is a very important factor really because of the small audience on the FM bands.

Mr. WEAVER: Mr. Chairman, I would like to ask Mr. Browne an irrelevant question. Are you still privately watching for phenomena which might indicate the existence of flying saucers?

The CHAIRMAN: I think we should not go too far afield with these questions. I have allowed one or two such questions this afternoon, but I do not think we should go too far afield.

Mr. FLEMING: Quite a few of them flew around here this afternoon!

By Mr. Holowach:

Q. In view of the ever increasing growth of the city of Edmonton where I understand there is an influx of over 1,000 people per month, if CKUA were to apply for the commercial licence to which I made reference do you believe, Mr. Browne, that their application would receive sympathetic consideration?—A. I cannot answer that question, sir. I think you should direct that question to the C.B.C. as they are the people to whom the application is referred for recommendation. They might furnish part of the answer, and of course the recommendation would have to go to the Governor in Council.

Q. I have one more question on a different topic. In the event of the sale of a properly licensed radio station, or a switch in management, would the new management or new owner have to renew the application or make a new application for a radio license?—A. Yes, there is a complete set of forms for that procedure also.

Hon. Mr. McCANN: He would make application for a transfer.

The WITNESS: Actually we do not consider it a transfer of license. We require the licensee to relinquish the license for the station, and the prospective owner is required to apply for a new one. We do not recognize the principle of transfer of licenses.

By Mr. Goode:

Q. Who then, Mr. Browne, would have refused the transfer of license or the sale of CKNW in New Westminster?—A. The issuance of the new license, of course, would be up to the Governor in Council.

Q. The sale was refused. Would that be strictly a C.B.C. proposition?—A. I do not know anything about the sale.

Q. Did you know there was an application? Would that go through your department?—A. Yes, it came through the department.

Q. How was that processed; would it go to the C.B.C. from you?—A. Yes, in the usual way.

Q. I understand that.—A. Yes.

The CHAIRMAN: Are there any other questions?

By Mr. Goode:

Q. I have one other question. I do not know whether you have this information with you, but you could get it, I am quite sure. There is a channel open on the lower mainland—1130—for sound broadcasting. What is the attitude of your department towards that channel? Do you know the answer or do you have to check?—A. I believe channel 1130 is one of the channels which were set aside years ago for the C.B.C. station and it was occupied by the C.B.C. station at Vancouver until the changeover was made to 690. That has been the government policy—that the clear channels of which 1130 is one are reserved for C.B.C. stations.

Q. Are they still reserved for it?—A. Yes.

Q. Is there a likelihood then of another sound broadcasting station being established in Vancouver? I gather there is or the frequency would not be held.—A. Would you mind repeating that question?

Q. There is a likelihood of another sound broadcasting station being established in Vancouver or the frequency would not be held?—A. I have not yet been informed of the C.B.C.'s plans with regard to the use of the 1130 channel in British Columbia, but the channel itself can be used anywhere in British Columbia under the North American Regional Broadcasting Agreement.

Q. But it is the C.B.C. which is holding the frequency?—A. The channel has been allocated to the C.B.C.

Q. Is it still allocated to them?—A. They still have it under government policy.

By Mr. Richard (Ottawa East):

Q. My question, Mr. Chairman, might be more properly addressed to Mr. Dunton than to the present witness. However, I understand that a station in northern New York—WQXR—the New York Times—may without difficulty be tied into CBC. Are you familiar with that situation?—A. I am very familiar myself with the station and with the network in New York state, but I think the question would be more properly directed to the C.B.C.

The CHAIRMAN: I understand that we shall need Mr. Browne for Thursday's sitting at 11 o'clock.

By Mr. Bryson:

Q. There is just one more question, one which I asked the other day and which was referred to this committee. Has the Department of Transport received any applications from any individuals living in a fringe area to build appropriate antennae which would be able to pick up television signals and feed those signals by a land line to individuals in a certain town who would pay so much in consideration of the service? Has any application been made for such a licence?—A. That is what we refer to as community antenna television systems, and it is a very "live" subject with the department right now. Conditions and requirements are being developed for services of that type, and the stations which receive these programs will be licensed under commercial receiving licences.

Q. The system has possibilities then?—A. Oh yes, definitely.

The CHAIRMAN: Shall we adjourn?

Agreed.

APPENDIX "A"

Department of Transport

Application for Authority to Establish a
Private Commercial Broadcasting Station

The Canadian Broadcasting Corporation
Form 269A

APPLICATION FOR AUTHORITY TO ESTABLISH A
PRIVATE COMMERCIAL BROADCASTING STATION

In accordance with the provisions of The Radio Act, 1938 and the Regulations made thereunder and The Canadian Broadcasting Act, 1936 and the Regulations made thereunder.

THIS FORM TO BE SUBMITTED IN TRIPPLICATE ACCOMPANIED BY CANADIAN BROADCASTING CORPORATION FORM 269A AND SCHEDULES RELATING THERETO.

1. State type of station (AM or FM)

2. Proposed (a) Power

(b) Antenna Height above average terrain.

(c) Antenna gain

(Note: (b) and (c) apply only to FM applications)

3. Proposed Antenna Array—Directional or Omni-Directional

(applies only to AM applications)—(cross out words not applicable)

4. Proposed frequency

5. Proposed location of (a) Transmitter

(b) Studios

6. Name of applicant

(individual or incorporated company)

7. Address, street number, city and Province

8. Nationality

Place of birth

Date of birth

Residence for last 5 years

9. Details of occupation, whether associated in any way with any other business, such as newspaper, publishing company, theatre company or existing broadcasting company. Details of occupation(s) for last five years.

10. Have bankruptcy proceedings ever been instituted by or been brought against applicant or any associates in this application? If so, give details in Schedule 1.
-
11. Are there outstanding any unsatisfied judgments or court orders against applicant or associates in this application? If so, give details in Schedule 2.
-
12. Associates—Names of any persons associated with the applicant, either financially or otherwise, in the establishment of the broadcasting station. Give addresses and residences for last 5 years and details with respect to financial standing, technical ability, business connections, etc. Schedule 3.
-
13. Available capital:
- (a) for construction of station.
 - (b) for operation of station for first three years.
- Sources of available capital, indicating amounts and specifying whether cash assets, convertible securities, mortgageable assets, such as real estate, etc. from the following: (a) Applicant.
- (b) Associate(s). (If loans, specify terms)
 - (c) Loans from banks or others (Specify terms)
 - (d) Donations or subscriptions
 - (e) Other sources (Specify)
- (Documentary evidence accompanied by certified financial statements showing present financial condition of applicant, whether individual or limited company, and of each associate must be given.) Schedule 4.
-
14. If an incorporated company, give the exact name of company, address of head office, where incorporated and date thereof, copies of Letters Patent, date of last shareholders' meeting; nationality, place of birth, date of birth, and residences of principal shareholders over last 5 years. Schedule 5.
-
15. Number and class of shares authorized (common or preferred) and par value.
-
16. Number of each class of shares issued (common or preferred) and par value.
-
17. Stockholders of company—attach a statement giving names, addresses, occupations and amount of stock held by all stock holders in the Company. Schedule 6.
-
18. Directors of company—attach a statement giving names, addresses and residences for last 5 years of Directors. Schedule 7.
-
19. Officers of company—attach a statement giving names, addresses and residences for last 5 years of principal officers. Schedule 8.
-
20. Bonds issued by company—attach a statement giving particulars of bonds issued and the names of holders and amounts held. Schedule 9.

21. Stock and bonds held—attach a statement giving particulars of stock or bonds of other companies held by the applicant company, and particulars of stock or bonds held by shareholders of this company in any other company operating a broadcasting station, newspaper, publishing, theatre, or advertising business, including the number and par value of each class of shares and amount of debentures held. Schedule 10.
-
22. State whether applicant company or proposed applicant company is or will be controlled either directly or indirectly by another company or organization. If so, state name of other corporation or organization and give full details regarding the extent of such control. If such other company is itself a subsidiary, give full details, including information as to the company or organization having final control. Schedule 11.
-
23. Does applicant propose to maintain
 full control of and responsibility for
 the proposed station, including super-
 vision of programs to be broadcast?
 If no, explain.
-
24. Does applicant propose to take over any property or facilities of an existing radio station? If so, attach as Schedule 13 copies of any and all contracts or agreements for the transfer of such property or facilities, showing consideration, terms of payment, etc.
-
25. If the applicant company has not yet been incorporated, this application must be completed in full by an individual associated with the proposed incorporation, and the foregoing particulars should be submitted as proposed, including copy of the declaration of intent, full particulars of capital available and details respecting proposed stockholders, directors and officers of the company, as required under sections 13 to 20 above. **APPLICANTS SHOULD NOTE THAT THE ISSUANCE OF THE LICENCE IF APPROVED, WILL BE CONTINGENT UPON THE COMPANY BEING INCORPORATED AND THE STOCK DISTRIBUTED EXACTLY AS SET FORTH IN THIS APPLICATION.**
-
26. Technical installation—attach a technical brief prepared by individuals or firm recognized by the Department as Consultants for the preparation of such briefs, showing that the installation as proposed is technically possible, that it is in conformity with national and international requirements, that it will not create undue interference to other stations, and that it will render adequate service to the intended area. Schedule 13. (The technical brief must be prepared in the form prescribed from time to time by the Controller of Telecommunications and must be submitted in quadruplicate).
-
27. **DECLARATION**—I, the said applicant, do solemnly declare that the statements made and information given in this application are to the best of my knowledge and belief true in all respects, and that I am conversant with the requirements of The Radio Act, 1938 and Regulations made thereunder; and The Canadian Broadcasting Act, 1936 and Regulations made thereunder; pertaining to the operation of private commercial broadcasting stations.
 AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath,

and by virtue of the Canada Evidence Act. (If on behalf of an incorporated company this declaration must be signed by an authorized officer.)

Declared before me at)
 the City of) Signature of Applicant
 in the County of)
 this day of) Date

.....
 A Notary Public, Justice of the Peace,
 Commissioner for taking affidavits, etc.

The Controller of Telecommunications,
 Department of Transport,
 OTTAWA, Ontario.
 17.12.52.

THE CANADIAN BROADCASTING CORPORATION

Form 269A

THE FOLLOWING INFORMATION IS REQUIRED BY THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION IN CONNECTION WITH YOUR APPLICATION FOR AUTHORITY TO ESTABLISH A PRIVATE COMMERCIAL BROADCASTING STATION AT THE CITY OF IN THE PROVINCE OF

1. Name and address of applicant(s)

2. Attach as Schedule A an account of the experience you or your associates have had in the fields of broadcasting, education, entertainment, or such other experience as may be considered useful in the operation of a broadcasting station.

3. Attach as Schedule B any letters of recommendation from civic officials, or organizations such as Board of Trade, Chamber of Commerce, Ministerial Associations, Educational or Musical bodies.

4. If your application is approved, are you prepared and able to provide a full program service without affiliation with any network?

5. Are you prepared to operate your proposed station in compliance with the provisions of The Radio Act, 1938, The Canadian Broadcasting Act, 1936 and regulations made thereunder and to fulfill faithfully all the obligations consequent upon the privilege of being assigned the use of a broadcasting frequency?

6. How many hours per week of an average weekly broadcasting time are you prepared to devote to the following activities:

Note: Do not include any proposed activity under more than one heading.

<i>Local Live Programs</i>	<i>Hours</i>
Paid Talent (Non-Staff)	_____
Unpaid Talent (Non-Staff)	_____
Talent (Staff)	_____
Community Activities	_____
Talks and Discussion on Public Affairs	_____
Other Talks	_____
Church Services	_____
Devotional Periods	_____
Broadcasts in Cooperation with Universities, Secondary and Elementary Schools	_____
Agricultural Broadcasts	_____
Sports Broadcasts	_____
News	_____
Local Live Broadcasts other than above	_____
Total	=====

7. What percentage of your total revenue do you intend to pay in fees for live talent performing locally?

8 What percentage of your total revenue do you intend to devote to all costs chargeable directly to local live sustaining programs?

9. I, the said applicant, declare that the foregoing promises of performance represent true statements of intention on my part.

.....
Signature of Applicant
In the case of an incorporated company,
the corporate seal must be witnessed by
its duly authorized signing officers.

Note:
It would assist the Board of Governors in its consideration of your application if, IN ADDITION to the foregoing, short narrative statements were submitted regarding the following aspects of your proposed operation.
To what extent would the establishment of a station such as you propose improve service to the listeners in its coverage area beyond that of the service now rendered by existing stations?—Attach as Schedule C
Effect of new station on general broadcasting service to the community.—Attach as Schedule D
Programming plans in detail.—Attach as Schedule E
Plans for developing local community talent.—Attach as Schedule F
Ability of community to support a new station in area, e.g., comparative figures of population density, retail trade, industrial development, number of daily newspapers in community, evidence of commercial sponsors' support, etc.—Attach as Schedule G

Estimate of the total capital cost of proposed station showing separately building and equipment costs for the studio and transmitter respectively.—Attach as Schedule H

Estimate of yearly operating costs during first three years of operation (term of licence is 3 years).—Attach as Schedule I

- A. Interest and amortization of investment.
- B. General program and administrative expenses, including salaries.
- C. Technical maintenance and operating costs.
- D. Rent and other general operating expenses.
- E. Miscellaneous.
- F. Total yearly operating costs.

Estimate of yearly gross revenue of station for first three years of operation, showing expected gross revenue from: (Attach as Schedule J)

- A. Station time and facilities other than spot business.
- B. Spot business.
- C. Other sources. (explain)
- D. Total gross revenue.

Proposed staff: particulars of their broadcasting experience.—Attach as Schedule K

Applicant's conception of public service broadcasting.—Attach as Schedule L.

APPENDIX “B”

Department of Transport

Application for Authority to Establish a
Television Private Commercial Broadcasting Station

The Canadian Broadcasting Corporation

Form 268A

SPECIAL COMMITTEE

APPLICATION FOR AUTHORITY TO ESTABLISH A
TELEVISION PRIVATE COMMERCIAL BROADCASTING STATION

In accordance with the provisions of The Radio Act, 1938 and the Regulations made thereunder and The Canadian Broadcasting Act, 1936 and the Regulations made thereunder.

THIS FROM TO BE SUBMITTED IN TRIPLICATE ACCOMPANIED BY
CANADIAN BROADCASTING CORPORATION FORM 268A AND
SCHEDULES RELATING THERETO.

1. Proposed (a) Effective Radiated Power (video)
(audio)
(b) Antenna Height above average terrain
(c) Antenna gain
2. Proposed frequency
3. Proposed location of (a) Transmitter
(b) Studios
4. Name of applicant
(individual or incorporated company)
5. Address, street number, city and province
6. Nationality
Place of birth
Date of birth
Residence for last 5 years
7. Details of occupation, whether associ-
ated in any way with any other
business, such as newspaper, publish-
ing company, theatre company or
existing broadcasting company. Details
of occupation(s) for last 5 years.
8. Have bankruptcy proceedings ever been instituted by or been brought against
applicant or any associates in this application? If so, give details in Schedule 1.
9. Are there outstanding any unsatisfied judgments or court credits against appli-
cant or associates in this application? If so, give details in Schedule 2.
10. Associates—Names of any persons associated with the applicant, either financially
or otherwise, in the establishment of the broadcasting station. Give addresses
and residences for last 5 years and details with respect to financial standing,
technical ability, business connections, etc. Schedule 3.

11. Available capital:

(a) for construction of station.

(b) for operation of station for first three years.

Sources of available capital, indicating amounts and specifying whether cash assets, convertible securities, mortgageable assets, such as real estate, etc., from the following: (a) Applicant.

(b) Associate(s) (If loans, specify terms)

(c) Loans from banks or others (Specify terms)

(d) Donations or subscriptions

(e) Other sources (Specify)

(Documentary evidence accompanied by certified financial statements showing present financial condition of applicant, whether individual or limited company, and of each associate must be given.) Schedule 4.

12. If an incorporated company, give the exact name of company, address of head office, where incorporated and date thereof, copies of Letters Patent, date of last shareholders' meeting; nationality, place of birth, date of birth, and residences of principal shareholders over last 5 years. Schedule 5.

13. Number and class of shares authorized
(common or preferred) and par value.

14. Number of each class of shares
issued (common or preferred) and
par value.

15. Stockholders of company—attach a statement giving names, addresses, occupations and amount of stock held by all stockholders in the company. Schedule 6.

16. Directors of company—attach a statement giving names, addresses and residences for last 5 years of Directors. Schedule 7.

17. Officers of company—attach a statement giving names, addresses and residences for last 5 years of principal officers. Schedule 8.

18. Bonds issued by company—attach a statement giving particulars of bonds issued and the names of holders and amounts held. Schedule 9.

19. Stocks and bonds held—attach a statement giving particulars of stock or bonds of other companies held by the applicant company, and particulars of stock or bonds held by shareholders of this company in any other company operating a broadcasting station, newspaper, publishing, theatre, or advertising business, including the number and par value of each class of shares and amount of debentures held. Schedule 10.

20. State whether applicant company or proposed applicant company is or will be controlled either directly or indirectly by another company or organization. If so, state name of other corporation or organization and give full details regarding the extent of such control. If such other company is itself a subsidiary, give full details, including information as to the company or organization having final control. Schedule 11.

21. Does applicant propose to maintain
full control of and responsibility for
the proposed station, including super-
vision of programs to be broadcast?
If no, explain.

22. Does applicant propose to take over any property or facilities of an existing
radio station? If so, attach as Schedule 12 copies of any and all contracts or
agreements for the transfer of such property or facilities, showing consideration
terms of payment, etc.

23. If the applicant company has not yet been incorporated, this application must
be completed in full by an individual associated with the proposed incorpora-
tion, and the foregoing particulars should be submitted as proposed, including
copy of the declaration of intent, full particulars of capital available and details
respecting proposed stockholders, directors and officers of the company, as
required under sections 11 to 18 above. **APPLICANTS SHOULD NOTE THAT
THE ISSUANCE OF THE LICENCE IF APPROVED, WILL BE CONTINGENT
UPON THE COMPANY BEING INCORPORATED AND THE STOCK DIS-
TRIBUTED EXACTLY AS SET FORTH IN THIS APPLICATION.**

24. Technical installations—attach a technical brief prepared by individuals or
firm recognized by the Department as Consultants for the preparation of such
briefs, showing that the installation as proposed is technically possible, that
it is in conformity with national and international requirements, that it will
not create undue interference to other stations, and that it will render adequate
service to the intended area. Schedule 13. (The technical brief must be
prepared in the form prescribed from time to time by the Controller of Tele-
communications and must be submitted in quadruplicate).

25. DECLARATION—I, the said applicant, do solemnly declare that the statements
made and information given in this application are to the best of my knowledge
and belief true in all respects, and that I am conversant with the requirements
of The Radio Act, 1938 and Regulations made thereunder; and The Canadian

Broadcasting Act, 1936 and Regulations made thereunder, pertaining to the
operation of private commercial broadcasting stations.
AND I make this solemn declaration conscientiously believing it to be true,
and knowing that it is of the same force and effect as if made under oath,
and by virtue of the Canada Evidence Act. (If on behalf of an incorporated
company this declaration must be signed by an authorized officer.)

Declared before me at)
the City of)
in the County of)
this day of.....)

.....
Signature of Applicant
Date

.....
A Notary Public, Justice of the Peace,
Commissioner for taking affidavits, etc.

The Controller of Telecommunications,
Department of Transport,
OTTAWA, Ontario.
17.12.52.

THE CANADIAN BROADCASTING CORPORATION

FORM 268A

THE FOLLOWING INFORMATION IS REQUIRED BY THE BOARD OF GOVERNORS OF THE CANADIAN BROADCASTING CORPORATION IN CONNECTION WITH YOUR APPLICATION FOR AUTHORITY TO ESTABLISH A PRIVATE COMMERCIAL TELEVISION BROADCASTING STATION AT THE CITY OF IN THE PROVINCE OF

-
1. Name and address of applicant(s)
-
2. Submit, as Schedule A, an account of the experience you or your associates have had in the field of broadcasting, education, entertainment, or such other experience as may be considered useful in the operation of a television station.
-
3. Are you prepared to operate your proposed station in compliance with the provisions of The Radio Act, 1938, The Canadian Broadcasting Act, 1936, and Regulations made thereunder and to fulfill faithfully all the obligations consequent upon the privilege of being assigned the use of a television channel?
-
4. If your application is approved, are you prepared to operate your station as a component of a developing national television system under the provisions of The Canadian Broadcasting Act, 1936, and as such to carry national program service supplied by the Canadian Broadcasting Corporation with the knowledge that this service will be increased as the system develops?
-
5. **STATION FACILITIES & COSTS**
Submit as Schedule B a detailed description of your proposed television station including both studio and transmitter facilities, as indicated below. If development of station facilities is to be gradual, indicate probable expansion. (Please where possible indicate proposed type and make of technical equipment).
 - A. *Studio Facilities*
 1. Location
 2. Building—Existing or new—Type of construction
 3. *Live Production*—
 - (a) Number and size of studios
 - (b) Number of permanent cameras in each studio
 - (c) describe studio control facilities
 4. *Film Projection*—
 - (a) Number of film and slide projectors (Indicate film gauge of each unit)
 - (b) Number of film television cameras
 5. *Film Production*—
 - (a) Number of cameras. (Indicate film gauge and whether equipped for sound)
 - (b) Processing facilities
 6. *Field Production*—
 - (a) Number of mobile units
 - (b) Number of cameras and associated equipment chains
 - (c) Number of relay links
 7. *Control and test facilities*—
 - (a) Will a separate master control be used?
 - (b) If so, describe facilities
 - (c) List main items of test and monitoring facilities
 - B. *Transmitter Facilities*
 1. Location
 2. Building—Existing or new—Type of construction

3. Studio-transmitter link:

Wire, cable or radio relay?

Type and frequency of operation

C. *Initial Capital Costs*

Give total capital cost of proposed station showing separately building and equipment costs for the studios and transmitter(s) respectively.

6. *PROGRAMMING*

The CBC intends to provide private television stations, as affiliates of the national system, with a network television service by means of kinescope recordings and film, or by direct connection where possible. For purposes of planning, you should assume this service will be a minimum of 10½ hours per week.

Submit as Schedule C a description of proposed programming of the station, *apart from service from the CBC*. If you foresee considerable changes over the first three years please so indicate.

A. Indicate the total hours of proposed programming per week..... showing hours of

1. Live studio production
2. Remote pickups
3. Film transmissions
4. Other sources

B. Outline proposed program sources for each of the above, indicating sources in your community, other Canadian sources, and those in other countries. Show also sources you plan to use initially, and those you plan to use as they are developed (a) by yourself, (b) by others.

7. *STAFF AND QUALIFICATIONS*

Submit as Schedule D list of proposed staff and where possible particulars of the experience of the proposed administrative, technical and programme heads of your television station.

8. *OPERATING COSTS*

Submit as Schedule E estimate of operating costs during first three years of operation broken down for each year as follows:

A. Interest and amortization of investment

B. Salaries

- (1) Technical
- (2) Program and administrative

C. Program expenditures (other than salaries)

- (1) Artists fees, televising rights and copyrights, scripts, staging and scenery
- (2) Film rentals

D. Technical and general maintenance and operating costs

E. Total operating costs

9. *REVENUES*

Submit as Schedule F an estimate of gross revenue of station for first three years of operation, excluding any revenues from national service supplied by CBC and showing separately gross revenues from:

1. Station time and facilities other than spots
2. Spots
3. Other sources (Explain)
4. Total gross revenue

10. I, the said applicant, declare that the foregoing represents true statements of intention on my part.

.....
Signature of Applicant

In the case of an incorporated company, the corporate seal must be witnessed by its duly authorized signing officers.